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The Nation's Business

Coming Events Cast Their Shadows

THE shadow of dictatorship is again darkening Canada's political scene. Last week it was press photographers who felt the whip-snapping antics of Quebec's dictatorial Premier Duplessis. He enlarged his padlock law ban by ordering that no photographs be printed of his much-publicized appearance at Shawinigan Falls with the men he once called "fat trustards." One quick-thinking newspaper featured the photograph ban alongside a somewhat similar ban imposed by one of Duplessis' European contemporaries named Mussolini.

As told elsewhere in this issue, there are parallels between the sort of thing that is happening in Quebec and the type of government which has swept across the major countries of Europe. Mr. Duplessis' efforts seem small in comparison, but they are efforts just the same.

* * *

THIS Fascist threat is being openly discussed in the United States. Just this week a newspaper story from Washington compared the situation there with that of the German Reichstag in the early '30's when the inability of that body to achieve anything led to suspension of its powers and that suspension, in turn, helped pave the way for control by Hitler. With Congress virtually helpless and even confessing its futility in the face of a legislative and economic situation that cries out for action and leadership, even John L. Lewis is predicting gloomily that some form of Fascism will develop if the depression continues very long.

Fascism can, of course, happen here. It can happen when elected representatives of the people fail to perform their duties and responsibilities in time of emergency. It can happen when the inflated ego of individual leaders outruns the avowedly democratic principles for which they stand and to which they owe their election. It is a vigorous reassertion of these democratic principles of government that is the vital need of the times.

* * *

A Modernized Confederation

IN HIS introductory remarks to the Rowell Commission, Attorney-General T. C. Davis stated Saskatchewan is not asking for any charity or hand-outs from eastern Canada, but rather an equitable adjustment based on disabilities.

Referring to an editorial in The Financial Post, which suggested that the Manitoba proposal envisioned a "share-the-wealth deal calling for a redistribution of wealth among Canadian provinces, with the older, wealthier provinces being called upon to share their good financial fortunes with the newer, younger provinces," Mr. Davis declared that this is not the basis of Saskatchewan's contentions. Rather, he claims that for too long the province has contributed to the wealth and prosperity of eastern Canada and is merely requesting that part of the wealth which Saskatchewan created be returned. He pointed out that in normal times Saskatchewan produces a large amount of new wealth.

Mr. Davis recognized that Ontario and Quebec can control the Federal Parliament and will have a great deal to say as to whether the proposals of the western provinces are implemented. He asked the people of those two provinces and of the whole Dominion to study the submissions and to approach the problem from a national point of view, looking to a united Canada.

Canada's New Deal will mean a more equitable distribution of both eastern and western wealth with a similar evening out of responsibilities. Certainly every part of Canada has something vital and valuable to contribute just as every province must be prepared to face new obligations if we are to achieve a united and modernized version of Confederation.

* * *

Ontario Power Need Is Key to St. Lawrence

PUBLICATION of correspondence between Prime Minister King and Premier Hepburn of Ontario regarding the St. Lawrence Waterway project confirms a viewpoint expressed by The Financial Post on many occasions, namely, that Ontario holds the key to this situation and that that key will probably not be turned until that province feels a need for the hydro-electric power that lies dormant in that mighty stream.

When a treaty was originally negotiated with the United States in 1932, the major item of expense (about $120 millions) was assigned to rest on Ontario's shoulders. This was the province's share of the cost of joint Hydro power developments which would bring the province some 1.5 million horsepower of electric energy. The $30 or $40 millions which Ottawa was to contribute was a comparatively small item in the bill of cost and was indicative of the fact that power is the primary and indeed the only justification of the St. Lawrence project as far as Canada is concerned.

* * *

ACCORDING to the King-Hepburn correspondence, the U. S. Government, as recently as the first

(Continued on page 2, col. 3)

Newsprint Industry Faces Trying Period For First Quarter

Plant Operations May Drop to Less Than 60% of Capacity

LIQUIDATE STOCKS

From Our Own Correspondent

MONTREAL.—Operations of the Canadian newsprint industry for the first quarter of 1938 may drop to between 50% and 60% of rated capacity, depending upon consumption of newsprint in the United States during the period. This forecast is on the basis that consumption will remain unchanged and that surplus stocks will be absorbed in the three months period.

With no drop in consumption, and allowing for liquidation of surplus stocks, Canadian newsprint manufacturers' net earnings in 1938, available for depreciation, interest charges, etc., should be about $8 milions greater than they were for 1937.

Stocks of newsprint paper in the U. S. at the end of this year will be in excess of 700,000 tons, or nearly 300,000 tons greater than is normally required by the publishers to take care of their immediate and near-term requirements.

Trend Not Favorable

The trend of advertising in the metropolitan papers in the United States has turned downward—a decline of over 9% was recorded in November—and indications are that this trend will continue in the early months of 1938. Whether or not the advertising trend, which has a vital bearing upon consumption of newsprint, turns upward, depends upon how quickly American business has a return of confidence.

With the expected drop in consumption of newsprint in the United States, estimated now at anywhere from 5% to 10%, earnings of Canadian producers may not be any greater in 1938 than in 1937, but they should not drop much below 1937, with the qualification that earning power will be dependent largely upon the outcome for the last nine months of the year.

Unquestionably the newsprint industry faces a difficult and trying period over the next three months and possibly even longer. The most encouraging factor is the manner in which the companies are facing the problem of overproduction and declining consumption, strengthening the belief that the industry will come through next year in good shape.

Reduce Surplus Stocks

The immediate problem of the Canadian manufacturers is to bring about the liquidation of surplus stocks. As was pointed out in The Financial Post some time ago, the manner in which publishers in the United States were permitted to pile up stocks in anticipation of the price rise at the beginning of 1938, implied a danger to the industry.

This danger was openly acknowledged in October when some of the mills started to restrict production—a policy which has since been generally adopted. While bad enough, the oversupply of newsprint could easily have been circumvented had not the trend of consumption turned downward of late. It is questionable now if the demand for newsprint by American publishers will be as great in the first half of 1938 as was the case in the like period of 1937.

In view of the difficulties ahead for the industry and to understand its import upon the fortunes of Canadian manufacturers, the present situation is analyzed in detail.

Supply Too Great

Preliminary indications are that the United States newsprint supply for 1937 aggregated 4,155,000 tons from all sources. The manner in which this figure was arrived at follows:

1937 U. S. Supply of Newsprint

Received from:	Tons
Canada	2,850,000
Newfoundland	120,000
Europe	275,000
Domestic	925,000
	4,170,000
Less exports	15,000
Total supply	4,155,000

Stocks Are Problem

At the end of last month newsprint stocks in warehouses, publishers' hands, in transit and at the mills totalled over 725,000 tons. By the end of this month, the figure may be higher and will not likely be much lower. This means that the visible supply of newsprint is in the neighborhood of 300,000 tons greater than required.

Deliveries of newsprint after January 1 to base points in the United States rise $7.50 a ton, or from $42.50 to $50 a ton. Naturally the surplus stocks have been stored in anticipation of this rise and will be used

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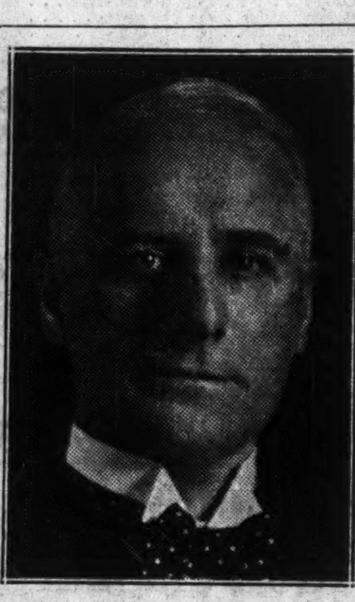

FINANCIAL ADVISER

A. P. B. Williams, deputy Provincial Treasurer of Quebec for the past 12 years, who has been engaged by the New Brunswick Government as financial adviser.

Jap Boycott Ineffective

Retailers Report Little Resistance—Most Goods Unrecognized

Boycott of Japanese goods appears to have been a flop.

Heads of retail organizations especially interested in toys, notions and similar goods easily recognized by the average buyer as being made in Japan state that there has been no noticable curtailment. In a few individual stores, probably as a result of local campaigns, and to a minor extent along the Pacific coast some resistance has been encountered but not enough to materially influence volume.

In fact, slightly more Japanese goods of this sort than a year ago have been handled this Christmas season. Importers placed their orders months ago. Actual goods had already been delivered in Canada and had been paid for before Canadian feelings were aroused by alleged indiscriminate Jap bombing in China. Canadian merchants in any case had the goods on their hands and now they report that practically all of them have moved into consumption.

Ottawa Plans Lower Tariff On U.S. Cars

Proposal For Reduction Likely to Be Presented at Coming Session

INDUSTRY'S CASE

By STAFF WRITER

OTTAWA.—Some reduction in the present 17½% tariff on automobiles is considered almost certain this session, The Financial Post hears from sources close to the Government. Consumers, particularly in western Canada, have been clamoring for a reduction and it will be recalled that in his address before the recent annual banquet of the Canadian Automobile Chamber of Commerce in Toronto, Hon. J. G. Gardiner, minister of agriculture, expressed the opinion that present motor car prices in this country were too high.

Bargaining Weapon

Any tariff concession to the United States in respect to cars or parts probably would be offered in exchange for a larger share of the American market for Canadian farm products, lumber or fish. Such a move, if successful, would serve a double purpose for the present government. It would make cars cheaper in the Maritimes and the West where at present prices range considerably above those in Central Canada and it would also stimulate demand for the surplus products of these same areas.

At the opening of the Regina plant the other day, H. J. Carmichael, vice-president and general manager of General Motors of Canada, confined his address almost entirely to the tariff.

Price Differential

"The most discussed and the most misunderstood question with reference to the motor car in Canada," he said, "is the differential between American selling prices and those existing in Canada today. I believe the impression is abroad that the Canadian automobile manufacturer is hiding behind the tariff wall and making tremendous profits at the expense of the Canadian motoring public.

"We in Canada produced 596,727 automobiles with a net sales value of $423,879,157 and a percentage of net profit to sales of 2.77%, or less than $20 per car, including profit made on service parts and accessory sales. In contrast, General Motors Corp. as a whole, during the same 10 years, produced 13,947,475 cars with net sales of $10,484,829,442, and percentage of net profit to sales of 15.19%. Or, in other words, the percentage of net profit to sales for the corporation overall was about 5½ times the Canadian average.

No Excess Profits

"This shows what a fallacy it is to accuse our industry of hiding behind tariff walls, because surely the only justification for such claims would be excess profits. The figures reveal that General Motors Corp.

(Continued on page 2, col. 6)

Scotia Steel Dosco Dicker In Progress

Deal Hinges on Valuation Placed on Non-profitable Properties

ORE MINES ATTRACTIVE

From Our Own Correspondent

MONTREAL.—Active negotiations are under way with a view to bringing Nova Scotia Steel and Coal within the orbit of Dominion Steel and Coal Corp. Officials of Dosco refuse to discuss the matter at this time, but from other sources it is learned that absorption of Nova Scotia Steel is being considered seriously and there is a fair prospect that a deal will be concluded. However, there is no definite assurance, but the current negotiations appear to be more serious than those which have been put forward in the past.

Whether or not Dosco makes an offer for assets of Nova Scotia Steel would appear to depend upon whether the two parties can reach a common agreement as to the value of the properties involved. The earning power of Nova Scotia Steel is particularly weak (the company cannot earn its interest charges) so that in order to be attractive to Dosco, a reasonable value would have to be put on the properties.

In many ways Nova Scotia Steel's properties would fit in with Dosco's general operations; in fact, under Dosco management they might be made profitable. But indications are that Dosco does not intend to pay heavily for properties which at present have no particular earning power and, in the main, have only a nuisance value.

Iron Mines of Value

Nova Scotia Steel's properties fall into three major classifications: iron ore, steel and coal. The iron ore properties are those on Bell Island, which at present are being operated by Dosco under a working agreement with the company. These mines are known to contain a vast quantity of iron ore for which there has been an active market of late. Nova Scotia Steel shows them on the books at around

(Continued on page 2, col. 1)

Lake St. John Sells to Hearst

Takes Mill Output to 1943 — Price Based on Average of 3 Major Mills

From Our Own Correspondent

MONTREAL. — Lake St. John Power and Paper has eliminated its newsprint sales problem. A contract has been entered into with the Newspaper and Magazine Corp., a Hearst buying organization which calls for the entire output of the Dolbeau Plant over the next five years.

It is officially stated that the new contract is, in the main, along the same lines as the previous contract, which expires at the end of this year. Hearst has agreed to take the capacity output for five years and in the event that deliveries for any one year fall below capacity, the difference is carried forward into the succeeding year.

The price at which the company sold its newsprint is based on the average charged by Abitibi Power and Paper, Canadian International Paper and Consolidated Paper Corp.

Lake St. John's mill at Dolbeau has an annual capacity of around 90,000 tons, so that the contract calls for ultimate delivery of about 450,000 tons. The existing contract still has a "carryover" to fill, sufficiently large to keep the plant operating several months.

Better Fiscal Position

Financially Lake St. John has been able to record a steady improvement over the last four years. In 1932 net earnings dropped to the low point of $305,945. Income has steadily mounted since then and last year totalled $792,532, which was sufficient to cover depreciation, bond and debenture interest, with a surplus of $103,001 available for the capital stock.

A further gain in earnings is expected this year, sufficient not only to cover senior charges, but to leave a balance equal to at least $12 a share on the preferred stock and $1 a share on common. Bond interest will be earned more than twice for 1937.

The establishment of earnings on the capital stock is of particular importance to St. Lawrence Paper Mills and St. Lawrence Corp. The former owns all the preferred and 51,469 shares of the common. The latter owns 24,811 shares of common.

The preferred is non-cumulative as regards dividends so that the company has no liability, contingent or otherwise, to pay out its surplus earnings to the preferred stock. However, in view of the better revenues and the prospect of continuing earnings at the current level throughout 1938, expectations are that Lake St. John will make some distribution to the preferred stock before long.

If the company pays the full rate of $6 a share, this would mean an income of $108,000 annually to St. Lawrence Paper Mills, or 76 cents a share on the latter's own preferred.

At this time Lake St. John's bonds are selling at a small discount, while the debentures are bid at 64 and offered at 68. On a yield to maturity basis, the return is relatively high in view of the earning power back of the securities.

Appeal to Commission On Relief is Unanimous

Submissions Agree in Asking Aid from Dominion

By Staff Writer

REGINA. — Submissions ot the Royal Commission on Dominion-Provincial Relations at its sittings here and in Winnipeg indicate one proposal for which there will probably be unanimous support. This is the suggestion that the entire cost of relief should be assumed by the Dominion Government.

Not only did the Manitoba and Saskatchewan Governments suggest such action, but a similar proposal was made by almost every other body making representations to the Commission. The principle was endorsed by cities, associations of municipalities, boards of trade and teachers' federations.

Tax Burden

It is probable that similar support will be received throughout the entire Dominion, since there is hardly a city or province that has not at some time declared that relief is a national responsibility. Certain provinces will not be able to prove, as have Saskatchewan and Manitoba, that they are unable to bear relief costs, but the burden of taxation on real estate as a result of relief is a fairly general condition.

It is doubtful, however, whether any eastern city can show as heavy a burden of taxation as some western centres. In a number of western cities the burden of taxation is so heavy that much property is reverting to the cities for taxes.

Realty Losses

In a number of urban municipalities the burden of taxation is so high that income derived from rentals is insufficient to meet all operating expenses including taxes. One town reports an office block, representing an investment of $24,000, showed a net income of $750 out of which taxes of $655 had to be provided. A city reports that an apartment block, after providing for operating expenses, including taxes, showed a net loss of $1,495. An office block showed a similar loss of $3,824 and a warehouse, a loss of $1,066.

In proposing the Dominion should assume the entire cost of relief it has not only been suggested that the municipalities and provinces cannot finance this expenditure, but that unemployment is national in scope and for this reason the responsibility should be a federal one.

Algoma Steel Has Rail Order

It is understood that Algoma Steel Corp. has received an order for 40,000 tons of steel rails from South Africa. Details of the order are not available but it is evident that an order such as this would provide an important piece of business for the company.

Steel rail orders were obtained in smaller volume in the year ended April 30, 1937. As this has been the mainstay of the company's business it resulted in smaller earnings, in spite of successful efforts to diversify production.

United Fuel Investments Changes Are Planned

Plan for merging the city of Hamilton gas supply will be considered early in 1938 by the newly-elected board of control. This will involve an agreement between Dominion Natural Gas Co. and United Gas and Fuel Co., the latter being a wholly-owned subsidiary of United Fuel Investments Ltd.

It is understood the proposed plan is a preliminary step to a change in the capital set-up of United Fuel Investments Ltd.

Highlights

Settling Up

Review of the various plans followed by Canadian companies to clear off preferred dividend arrears. Page 16

Christmas Wines

The Canadian wine industry is making important progress, with shipments reaching a new peak this year. Page 9

Pushing North

Canada's rapidly growing mining areas present fine opportunities for town planning. Page 8

Elusive Profits

The mysteries of profit and loss statements explained for the layman. Page 10

The Power Giant

Ontario's Hydro System enters a new cycle with the resumption of power purchases from Quebec. Page 9

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Wider Quebec Power Market In Balance in Export Fight

Existing Export Power Contracts

Operator:	Date of Contract	Duration	Contract Amount	Contract Price
Ontario Hydro-Electric Power	1904	1950	60,300 h.p.	$16.75 per kw.
Canadian Niagara Power	1922	1984	49,982 h.p.	26.80 per kw.
Ontario & Minnesota Power	none	....	....	25.00 per h.p.
Cedar Rapids Mfg. & Power	1912	1997	75,000 h.p.	15.00 per h.p.
Southern Canada Power	(Sell to only about 200 residents in the U.S.)			
Maine & New Brunswick Power	1925	1955	....	1½c. per kw.h.
Fraser Cos.	(annual contracts)		2,010 h.p.	1½c. per kw.h.
Maritime Electric	1925	1945	304 h.p.	1½c. per kw.h.
West Kootenay Power	1928	1938	2,010 h.p.	1c. per kw.h.
Western Power coo.	(interchange surplus power)			0.6c. per kw.h.

Hepburn-Duplessis Victory Would Bring Future Development In Province

By J. E. LANGDON

Eastern Editor, The Financial Post.

MONTREAL. — Quebec power operators are keenly alive to the possibilities of Premier Mitchell Hepburn's fight to secure an export power license from the Federal Government for the Ontario Hydro-Electric Power Commission. The fact that Premier Duplessis has about-faced on a traditional policy of the Quebec Government and is publicly supporting Mr. Hepburn puts the current controversy on a new basis.

This province is the great storehouse of electrical energy. There is more power here than will be required within the province or for export to Ontario for a great many years to come. Consequently, any broadening of the market would have a decided bearing on future power developments. If the Quebec and Ontario premiers can break down the existing policy of restricted export, it means that Quebec companies will have a secondary market for power even greater than the one they now serve.

Not a New Question

Less than five years ago the question of exporting power to the United States was an active issue in Quebec. At that time there was a large surplus of energy which threatened to become a burdensome problem to the industry and a move was initiated to bring about a change in policy and a let-down in the regulations governing exports.

In the spring of 1933 a bill was submitted to the Quebec Legislature by Hon. Mr. Mercier under which the Quebec operators would be granted authority to export up to 300,000 h.p. of energy to the United States each year. It also provided that the power could not be sold at a lower rate than then prevaling in Quebec. The export was to be carried on through a central agency of the principal producers.

Opposed to Export

Previously the policy of succeeding Quebec Governments had been definitely opposed to any export of power. It was believed that power should not be exported but held for distribution in the province and, by its cheapness and abundance, be the means of attracting new industries. As recently as 1926, Quebec enacted that no contracts for power development would be granted unless corporations applying for rights would agree not to export.

Premier Duplessis' public support of Hepburn clearly indicates that his Government is willing to see this act of 1926 repealed or disregarded. The Mercier bill of 1933 was never enacted and the act of 1926 still holds good. But if Premier Hepburn, with the support of Duplessis, gains the ascendancy over Ottawa, then there may be some very interesting developments in Quebec.

Difficulties in Way

Before this is likely to happen, there will be any number of obstacles to overcome. A change in the export power policy of the Federal Government will, as intimated by Premier King, be threshed out on the floor of the House at the next session. Undoubtedly pressure will be brought to bear on the Quebec and Ontario members, but it is by no means certain that either the Conservative or Liberal members will agree to any change, in view of the past stand of both parties on the question.

Up to the present the Federal Government has always recognized the fact that the power belonged to the provinces. It also recognized, or at least agreed, that the Dominion would not issue export licenses without approval of the province concerned. Succeeding governments, Liberal and Conservative, have conceded this right. On the other hand, the provinces have heretofore conceded that the transmission of

(Continued on page 3)

United Voice for West Seen in Merger Move

Public Reaction to Consolidation More Favorable Than Expected

By NORMAN A. WHITE

Staff Writer, The Financial Post

REGINA.—Public reaction here to the proposal made to the Rowell Commission to merge the three prairie provinces has been more favorable than anticipated.

While businessmen are convinced that substantial savings in the cost of government would result from the merger, the principal argument used in favor is that it would enable the West to speak with a united voice in the councils of the nation. As a result the West would have greater influence in molding Federal policies, some of which it is claimed are at present a heavy burden on the West.

There is, however, a section of opinion that regards the proposal as not practical. Persons in this group are willing to admit that some economies might result and that the efficiency of certain departments would probably be improved. They feel the establishment of three separate provinces on the prairies was a mistake, but are of the opinion that it is a mistake that cannot be rectified.

In view of the difficulties which have to be overcome this group is not in agreement with Premier John Bracken, of Manitoba, that the proposed merger is within the realm of practicability. In this connection it is suggested that it would be difficult to iron out sectional interests. For instance, there would probably be

(Continued on page 2, col. 2)

Settle Arrears Of Dunlop Tire

English Interests to Provide New Capital in Return For Common

A special meeting of shareholders of Dunlop Tire & Rubber Goods Co. is being held on Jan. 31, 1938, to consider a plan for recapitalizing.

If and when adopted, these proposals will effect the following changes:

(1) The holder of each present 7% cumulative preference share of $100 par value on which arrears of dividends totalling $45.50 have accumulated, will hold new 5% cumulative redeemable preference shares of $25 par value to a total principal value of $145.50.

(2) The new preference shares will be made redeemable at 105% on or before Jan. 1, 1943; the redemption price declining by 1% annually thereafter until Jan. 1, 1947, after which the shares may be redeemed at par.

(3) If arrears should accumulate on the new 5% preference shares at any future time, these arrears will have priority over common shares in any distribution of assets. This is not the case on the present preference shares which rank prior to common shares as to principal but not for accumulated arrears.

(4) Common shares will be written down from a par value of $100 a share to $70 a share for the purpose of: (a) permitting the issue of additional preference shares as mentioned above; and (b) to eliminate the deficit of $1,231,175.

New Capital Provided

A further step, which is essential to the rehabilitation of the company, is the providing of an additional $500,000 of new capital by Dunlop Rubber Co., of England which holds the majority of the present common shares, in return for the issue of 7,143 common shares at $70 a share. The offer of this money, which will not require the issue of any senior securities, is good to July 1, 1938.

Present capitalization of Dunlop Tire & Rubber Goods Co. is as follows:

Present Capitalization

	Author. $	Outstand. $
7% pref., $100 par	600,000	566,100
Common, $100 par	9,400,000	4,962,500

If the recapitalization plan is adopted capitalization will become as follows:

Proposed Capitalization

	Author. $	Outstand. $
5% pref., $25 par	823,675 (32,947 shs.)	823,675 (32,947 shs.)
Com., $70 par	7,360,000 (109,000 shs.)	3,973,560 (56,768 shs.)

Liquid Position Improved

A pro forma balance sheet as at Dec. 31, 1937, giving effect to this arrangement and to official estimates of earnings for the last two months of the year, shows substantial changes in working capital and the disappearance of the deficit which amounted to $1,249,424 at Dec. 31, 1936. The deficit has been replaced by a surplus of $4,260. Cash on hand would be $437,701 and bank loans, amounting to $310,000 at the end of

(Continued on page 4, col. 7)

Farm Income Over $1 Billion

Canadian Agricultural Revenue at High Level for 1937

Gross agricultural revenue of Canada for the year now closing is estimated at well over a billion dollars, but slightly under that of 1936. Final figures, of course, will not be available for some months yet as a considerable portion of this production still remains in farmers' hands.

A few months ago when agricultural prices at the farm were much higher than is the case today there were indications that total revenue would be much better. Since then, however, grain has receded considerably from top values, and the same is true to a lesser extent of livestock. Recently a firmer tendency has been noted and it is possible that if this improvement continues final figures may yet attain a considerable lead over 1936. In any case, value of agricultural production this year, despite the wheat failure, will be almost the best since 1930.

While returns by provinces have not yet been compiled, it is known that the biggest improvement has taken place in Manitoba and Ontario. Both of these provinces suffered seriously by drought a year ago, but in the season now closing have harvested the biggest crops in

(Continued on page 13)

Donnacona Paper Income Jumps to $600,000 for 1937

From Our Own Correspondent

MONTREAL. — Earnings on the capital stock of Donnacona Paper Co. are expected to aggregate around 40 cents a share for 1937. This is in line with earlier estimates and shows a stability of income throughout the closing months of the year.

Earnings from all sources for 1937 will be in the neighborhood of $600,000, depending upon year-end adjustments. This is the largest income reported by the company since 1930 and compares with $285,003 in 1936.

Comparison on net profits for the current year with 1936 is not altogether feasible, in view of the ascending interesting charges on the first mortgage bonds, and the issuance of a block of 10-year notes to cover improvements and extension to plant.

The financial statement for this year, consequently, will show a relatively heavy increase in interest charges, which will tend to keep down net profits.

On the basis of a write-off of $150,000 for depreciation and depletion and around $300,000 for interest charges on the bonds and debentures, the net amount available on the common will equal $150,000, or about 40 cents a share on the capital stock.

For the first eight months of the year, an unofficial estimate placed earnings of the company at $167,200 after bond interest and administration charges but before depreciation. After provision for depreciation of $132,200, the balance was equal to nine cents a share.

The improvement in earnings this year reflects a larger volume of production and better selling prices. Sales of newsprint for the first half of the year, for example, amounted to 33,000 tons, or 49% more than for the like period in 1936. Sulphite pulp sales totalled 6,700 tons, as against 1,600 tons in the first half of last year. Insulating board sales for the year were up by nearly 21% over 1936.

Free Cheques Out With Trust Co.'s

Will Charge Five Cents After New Year, It Is Reported

Most Canadian trust companies will, after Jan. 1, inaugurate a system of fees on cheques the same as is now levied by the chartered banks.

Over the counter withdrawals will still be free. Customers will be generally allowed one free cheque per month for every $50 they have on deposit. Beyond that, each cheque will cost five cents.

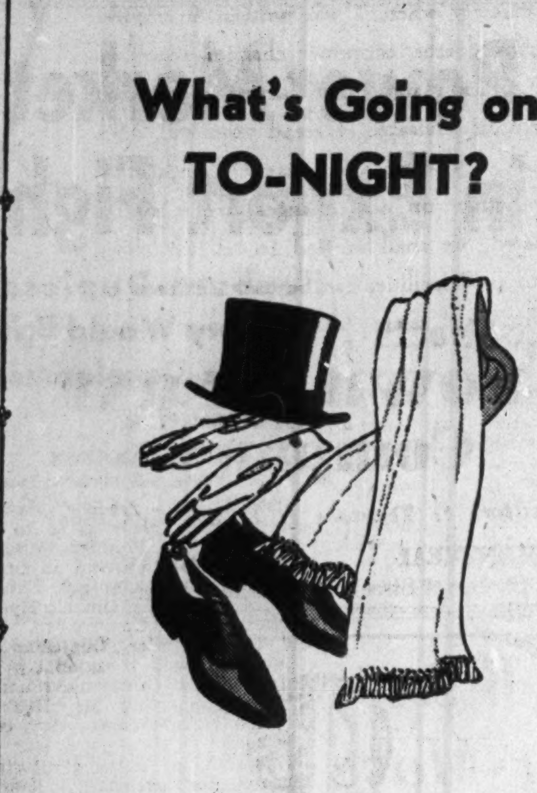
Because trust companies pay a slightly higher rate of interest on deposits and because of the "free" banking facilities they have been offering of late in comparison with the banks, it is understood that "undesirable" accounts have been in many cases attracted to the trust companies.

From their point of view "undesirable" accounts are those in which a customer makes a sizeable weekly or monthly deposit then issues cheques against it for nearly the full amount on deposit in payment for instance of wages. In such a case the trust company feels it is being used merely as a free bookkeeping service. Since the company has to pay on each cheque that it gets through the clearing house, it is argued that the public should share this expense.

MEN'S SHOP

MEN'S SHOP

What's Going on TO-NIGHT?



Is the predominant question during this season because there are so many parties and dances. Here men will want to feel at their best and these evening wear accessories from the MEN'S SHOP will give them the confidence they desire with their good quality in correct and distinctive styles. So be sure to look over your wardrobe of evening wear and consider these four items before replenishing.

Silk or opera hat from London, $15.00 ea.
White kid gloves, $2.75 pr.
English real silk scarf in white, $8.50 ea.
Evening shoes in black patent leather, $7.00 pr.

Free Parking While Shopping

BAY STREET SECTION

EATON'S-COLLEGE STREET

Nova Scotia Steel May Be Absorbed By Dominion Steel

(Continued from page 1)

$10 millions. In the opinion of those well informed, these iron ore deposits are the only worth-while asset back of Nova Scotia Steel's bonds and debentures.

Full control of the Wabana mines on Bell Island would no doubt strengthen Dosco's position and be a welcomed acquisition. This year shipments from Wabana will total 1,700,000 tons, mainly to Germany, and indications are that the export business will hold up in 1938. While complete ownership would not make for any further economies in operation, nevertheless Dosco would have outright a valuable property.

Other Assets Doubtful

The steel plants of Nova Scotia Steel generally are regarded as antiquated. They are equipped to produce 150,000 tons of manufactured articles a year, including rolled bars, rails and plates, forgings, car and locomotive axles, railway spikes, track bolts and nuts.

The coal properties of the company comprise about 90 square miles of Crown lands in the vicinity of Sydney Harbor, upon which there are two collieries with an annual capacity of about 1,000,000 tons. The latter are understood to be operated at a loss.

Liquidator Has Assets

These are the properties which are secured by the trust deed covering the mortgage bonds and debentures. In addition Nova Scotia Steel has certain other assets, which the Nova Scotia Supreme Court ruled in October, 1934, were not covered by the deed of trust and belonged to the liquidator. The latter included shares in Acadia Coal Co., Eastern Car Co., Nova Scotia Land Co., and Wasis Steamship Co.

Acadia Coal leases about 20 miles of coal area in Pictou County, N.S., and operates three collieries with an annual capacity of about 550,000 tons a year. Operations of this unit have not been particularly prosperous and in September last, Charles Smith, K.C., company solicitor, told a Royal Commission that the outlook for Acadia Coal was poor.

Eastern Car's position is relatively satisfactory. The company has handled a fair volume of business for the railways in the past year and usually is assured a fair proportion of new equipment business. However, it is largely dependent upon orders from Dosco.

The other properties are not of any major size or importance.

Poor Earning Power

There has been no particular improvement in Nova Scotia Steel's position since it went into bankruptcy in the early part of 1933. No interest has been paid on the first mortgage bonds since January 1, 1933, nor on the debentures since July 1, 1932. Dividends on the preferred stock, which is cumulative, have been piling up since January 1, 1924.

No financial statement has been issued by the liquidators or receivers since they took over the property—an unusual situation—but it is understood that at present there is a cumulative operating deficit of around $7.5 millions.

Interest in Bonds

Public interest in Nova Scotia Steel is largely confined to the funded debt comprising $4,381,664 of 5% first mortgage bonds and $4,969,691 of 6% perpetual debentures. In addition there is $1,000,000 of preferred and $15,000,000 of common stock, all held by Dominion Steel and Coal Corp.

Any dicker made between Dosco and Nova Scotia Steel, therefore, would have to do with settling claims of holders of the first mortgage bonds and debentures.

The first mortgage bonds seemingly are well secured but there is little hope that the debenture holders will be paid off in full.

Suggested Exchange Basis

One unofficial forecast is that Dosco will put forward a proposal leaving the first mortgage bonds as they stand, but with a lower coupon rate, guaranteed by Dosco.

It is said that for the debentures, Dosco will offer two shares of its Class B stock for each $100 par value of debenture. As the former is selling around $15 a share, the value of the stock offered closely approximates the market for the debentures—26 bid and offered at 29.

Again while there is nothing official on the current negotiations, it is widely assumed that eventually Nova Scotia Steel's properties will be taken over by Dosco. Whether the deal goes through at this stage or later depends upon the value placed upon the assets of Nova Scotia Steel.

United Voice for West Seen in Merger Move For the Provinces

(Continued from page 1)

considerable disagreement as to where the capital should be located. Both Edmonton and Winnipeg would be adverse to losing their present status and seeing Regina, which is the most central point, becoming the capital.

In his statement to the Rowell Commission, Premier W. J. Patterson was more indefinite, almost lukewarm, as regards the attitude of his government toward the proposal.

Premier Patterson told the Commission estimated economies from the proposed merger had been greatly exaggerated and in this connection pointed out that total expenditures in Saskatchewan under the headings of legislation and executive council represent only two-thirds of one per cent of the total expenditure. In Alberta and Manitoba they are approximately the same.

In so far as the majority of governmental expenditures are concerned, Premier Patterson declared he could not see that amalgamation of the provinces would effect any economies whatever. By far the greater proportion of governmental services would have to be continued exactly on their present basis, he said.

He expressed the opinion that the same disadvantages are inherent as in the proposal for larger municipal units and pointed out that decentralization would add materially to the cost of individuals and organizations making representations to the government. Any economies would be overbalanced by this additional cost, he felt.

Supporting the merger proposal is the United Farmers of Canada, Saskatchewan Section. Like the Saskatchewan Government, the United Farmers do not feel that the saving in expenditure would be impressive, but to have the agriculture policy of the whole area directed and co-ordinated by one department would lead to much greater efficiency.

The Nation's Business

(Continued from page 1)

week in November, made official enquiry from Ottawa as to whether this country was prepared to proceed with further negotiations regarding the waterway. Prime Minister King accordingly asked Mr. Hepburn to again state whether Ontario was prepared to co-operate on the matter. Mr. Hepburn replied that in view of tentative plans for settlement of the dispute with Quebec power companies, Ontario's power requirements were taken care of for "many, many years to come" and that "we are therefore not in need of power nor, in my opinion, any additional avenue of transportation." Further discussions are to be held between "members of the Ontario Hydro Commission and technical officials of both governments."

* * *

AS OUTLINED in last week's Financial Post, Ontario's newly purchased power supplies, though currently affording a small surplus of power, will little more than meet normal growth requirements during the next decade. In fact, Ontario must again look for new sources of power within a very few years if load increases continue at the nominal growth rate of about 7% annually.

Since the St. Lawrence project would deliver no power for at least five years from date of the treaty, far-sighted hydraulic engineers like Hydro's chairman, Dr. Hogg (who has already predicted that the St. Lawrence must sooner or later be developed as a source of Ontario power), will probably play an important part in bringing about consummation of this enterprise—perhaps more quickly than now appears.

* * *

New Brunswick Appoints Financial Adviser

AN INTERESTING, constructive announcement has been made by Premier Dysart of New Brunswick, in the appointment of A. P. B. Williams as financial adviser to the Provincial Government for a period of one year.

In making the announcement Premier Dysart said in part as follows:

> "This is a step that has been in contemplation by the Government for a long time, but it was necessary to await the opportunity to secure the proper man. The public, especially businessmen, will appreciate the needs of the situation and will agree that any delay has been justified by eventually securing a man of the calibre of Mr. Williams."

New Brunswick's new financial adviser served for 12 years as deputy provincial treasurer of Quebec and has had experience in financial matters. As mentioned by the premier, this recognizes unsatisfactory conditions that must be remedied in the province's affairs. It is a timely confirmation of the view expressed recently by The Financial Post that New Brunswick's finances were in need of careful scrutiny.

Admitting this need and then taking steps to arrive at a solution is a commendable action. Mr. Williams' appointment is only for one year and it may be difficult for him to work out a solution for such deep-rooted troubles as those suffered by New Brunswick in that time but, given the whole-hearted co-operation of the Government, he has a splendid opportunity to help the people of that province.

* * *

Light Needed On Trade Changes

ACROSS Canada many important interests are preparing to state their position and views on the forthcoming Canada-U. S. trade agreement, and the accompanying modification of our present treaty with Great Britain. It is important that the Federal Government affords these groups an opportunity to make these representations.

In United States a regular procedure has been worked out in connection with the reciprocal trade agreement act and manufacturers and others are invited to submit representations on a specified list of products under discussion.

Obviously negotiations of this type must be conducted with secrecy, but the Government should make sure that arguments both for and against the various interests which will be affected by the agreement are adequately presented.

Provision of such an opportunity is not only a proper safeguard from the Government's point of view, but would tend to lay the basis for a better understanding of these vital arrangements.

Hepburn Sees World Crash

Quotes Coming Depression as Argument Against Seaway

Premier Mitchell F. Hepburn, of Ontario, is looking for a world depression to set in, "comparable with the one through which we have just passed." But Mr. Hepburn does not say when it will come.

The Ontario leader's pessimism as to the economic outlook was revealed this week when correspondence between him and Prime Minister King regarding the St. Lawrence waterway was released.

Mr. Hepburn, in a letter to Mr. King, dated November 25, 1937, reiterated the Ontario cabinet's stand against the St. Lawrence Waterways Scheme, citing as two arguments the fact that Ontario's power requirements were now looked after "for many, many years to come" and the fact that the country does not need any additional avenue of transportation, "having in mind our acute railway problem."

The premier then added:

"In my judgment the purchasing power of European and Asiatic countries will collapse with the continued dissipation of gold reserves for armament purposes, and this continent will, as a consequence, witness an era of depression comparable with the one through which we have just passed."

In business circles this week there was some speculation as to the inspiration for Mr. Hepburn's gloomy outlook on world business. His views echoed those of Sir George Paish, published in The Financial Post last summer before the American "recession" set in.

It was also recalled this week that on Mr. Hepburn's recent hunting trip he was accompanied, according to reports in the newspapers, by Bernard E. Smith, famous Wall Street bear and director of McIntyre Porcupine Mines.

Gr. West Saddlery Position Improves

Profits Higher This Year —Preferred Dividends Expected

It is probable that dividends on the first and second preferred shares of Great West Saddlery Co. will be inaugurated according to schedule on March 31, 1938. Business in the latter half of the current year has been much better than was expected six months ago, and the company will complete the year ending Dec. 31, 1937, with net profit higher than that of 1936.

Both classes of new preferred stock were issued this year in the process of reorganization, and both carry dividends of 6%, cumulative from Jan. 1, 1938.

Sales have been very good in Manitoba, where the wheat yield was almost double that of the previous year, and also showed improvement in Alberta. Results in Saskatchewan were not so encouraging.

It is expected that working capital position will be stronger at the end of 1937 than at the close of the previous year, when current assets of $1 million were 4.62 times current liabilities.

Sun Trust Manager

From Our Own Correspondent

MONTREAL.—Herve Prevost, for many years of the credit department of the Banque Canadienne Nationale, has resigned to take over the position as manager of the Sun Trust Co.

Dom. Engineering On Dividend Basis

From Our Own Correspondent

MONTREAL.—Directors of Dominion Engineering Works have declared a distribution of 50 cents a share out of accumulated earnings for 1937, payable to shareholders of record Dec. 31 on Jan. 15 next. The last dividend paid was on April 15, 1931, when 60 cents a share was paid to the shareholders.

The current declaration involves an outlay of $62,500 on the 125,000 issued shares. Further it indicates that there was a marked improvement in earnings this year, as the company has not earned anything on its capital stock since 1930.

Assets Expand For Prov. Bank

Deposits and Earnings Show Increase Over Last Year

From Our Own Correspondent

MONTREAL.—Provincial Bank of Canada's financial statement for the year ended Nov. 30 shows a moderate expansion in earnings, an increase of about $5.8 millions in deposits and a general gain in holdings of securities, call and current loans.

Net profits for the past year totalled $444,410, as against $402,678. After providing for usual dividends, taxes, and an increase of $10,000 in the real estate reserve, and setting aside the usual contingent reserve of $50,000, there was a balance carried forward of $232,907 or practically the same as a year ago.

Cover All Charges

Comparative profit and loss figures for the past two years follow:

	Year ended Nov. 30 1937 $	1936 $
*Profits	444,410	402,678
Prev. balance	231,937	257,584
Totals	676,347	600,262
Deduct:		
Dividends	240,000	240,000
Taxes	103,440	98,325
Real estate w.o.	50,000	40,000
Cont. res.	50,000	50,000
Bal. carried forward.	232,907	231,937

*After making appropriations to accounts, out of which accounts full provision for bad and doubtful debts has been made.

Advance in Assets

At the end of last November assets of the Provincial Bank of Canada totalled $56,961,407, as against $51,513,910 the year previously. Non-interest-bearing deposits increased from $6,033,116 to $9,383,671, while interest-bearing deposits advanced from $36,716,014 to $39,100,361.

Securities owned by the bank showed an increase of $1,669,306 to $26,427,571.

Canadian call loans increased during the year from $3,935,569 to $4,880,616. Current loans at $13,730,073, compare with $11,966,364 a year ago.

New England Lines Of C.N.R. Cut Deficit

From Our Own Correspondent

MONTREAL.—Net deficit of the Canadian National Lines in the New England States, after rentals, amounted to $37,767 last October, compared with a deficit of $14,700 a year ago. The unfavorable showing is largely on account of the decline in gross, the latter amounting to only $119,319, compared with $131,051 a year ago.

High Deposits Are Attained By Royal Bk.

No Major Changes Noted in Balance Sheet Returns

CURRENT LOANS UP

From Our Own Correspondent

MONTREAL.—Royal Bank of Canada's financial statement for the year ended Nov. 30 last, compared with the report for the preceding year, reveals an improvement in earnings; a further gain in investments; an advance in current loans; a contraction in call loans; and a new record in deposits.

Net profits for the year are shown at $3,711,379, an improvement of $207,138 over the previous year. After dividends and the usual appropriation for bank premises, and an increase to $300,000 in the contribution to the pension fund, there was a surplus of $411,380 carried forward, as against $304,241 a year ago.

Increase in Surplus

Comparative profit and loss figures for the past two years follow:

	Year Ended November 30 1937 $	1936 $
Profits	*3,711,380	*3,504,241
Dividends	2,800,000	2,800,000
	911,380	704,241
Pension fund	300,000	200,000
Bank premises	200,000	200,000
	411,380	304,241
Prev. balance	1,913,796	1,609,555
Carried forward	2,325,176	1,913,796

*After providing for Dominion and Provincial Government taxes and after making appropriations to contingency reserves out of which reserves provision for all bad and doubtful debts has been made.

Current Loans Increase

The balance sheet shows a moderate gain in assets—from $855,588,457 to $869,538,112.

Current loans in Canada, including loans to municipalities and provincial governments, amount to $200,563,727, an increase of approximately $12,765,000 over previous year. Current loans outside of Canada amounting to $101,147,198 are approximately $4,000,000 lower than last year. Call loans in Canada amount to $19,392,906, a reduction of approximately $6,700,000. Call loans abroad amount to $10,070,583, a reduction of $4,500,000.

Readily realizable assets are set down at $514,671,335. Of this amount $168,638,928 is represented by cash on hand or on deposit with the Bank of Canada and other banks, while $245,606,374 is represented by Dominion and Provincial Government securities. Public securities other than Canadian amounting to $25,927,482 show an increase of $13,937,353. This increase is understood to be represented in United States and British Government securities. Total investments amount to $316,568,917, an increase of $23,398,096 from the previous year and a new high record in the history of the bank. Total liquid assets are 65.53% of liabilities to the public, which, of course, is a reflection of present conditions rather than of deliberate policy.

GENERAL STATEMENT
As at Nov. 30

Assets	1937 $	1936 $
Coin on hand	3,893,309	6,393,677
Notes & dep., Bank of Canada	69,077,016	66,253,229
	72,970,325	72,646,906
Notes of other banks	1,407,589	1,668,771
Cheques on other banks	28,076,674	26,239,244
Foreign currency	19,032,282	17,171,202
Due by bks. in Can.	2,689	2,674
Due by bks. abroad	47,149,388	61,552,182
Call loans in Canada	19,392,906	26,154,219
Call loans elsewhere	10,070,584	14,624,255
	125,132,092	147,412,547
Gov't. securities*:		
Dom. & Prov. secs.	245,606,375	241,639,440
Munic. & other secs.	70,962,542	51,531,381
	316,568,917	293,170,821
Total quick assets	514,671,334	513,230,274
Curr. loans & discts.:		
In Canada	185,406,956	175,872,378
To provinc'l gov'ts.	4,590,098	1,698,424
To mun. & sch. dist.	10,566,674	10,227,376
Elsewhere	101,147,198	105,418,452
Non-current loans	2,986,429	3,548,728
	304,697,355	296,765,358
Bank premises	14,995,187	15,662,057
Other real estate	2,581,016	2,698,299
Mtges. on real estate	788,834	769,616
Letters of credit	26,055,370	21,130,089
Dep. re circ. fund	1,550,000	1,625,000
Shs. of & loans to subsids.	3,805,482	3,291,444
Other assets	393,533	416,321
	50,169,422	45,592,826
	869,538,112	855,588,458
Liabilities		
To the Public		
Circulation	28,644,831	29,524,612
Deposits by & bals. due to:		
Dominion gov't.	6,637,546	326,181
Provincial gov'ts.	10,191,871	8,590,669
Deposits by public:		
Non-interest	305,179,752	310,384,198
Interest bearing	420,402,616	416,164,055
To banks in Canada	1,062,825	160,680
To banks aroad	12,595,086	11,138,715
Bills payable	414,706	185,291
Letters of credit	26,055,370	21,130,089
Other liabilities	292,953	357,210
	811,497,556	797,961,700
To the Shareholders		
Dividends, bonus, etc.	715,378	712,961
Reserve	20,000,000	20,000,000
Capital	35,000,000	35,000,000
Surplus	2,325,176	1,913,797
	58,040,554	57,626,758
	869,538,112	855,588,458

*At not exceeding market value.

C.N.R. in Market For Equipment

From Our Own Correspondent

MONTREAL. — Canadian National Railways has sent out enquiries for new equipment aggregating in value about $10 millions. Included in the total, it is reported, are about 2,000 box cars, six locomotives, several baggage cars, five to eight mail and express cars, together with some snow plows.

It is officially stated that no enquiries are being made at the moment by the C. P. R. for new equipment.

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Bk. Commerce Earnings Rise 28c Per Share

Loans, Deposits Security Holdings All Show Gains

CALL LOANS OFF

Profits equivalent to $8.91 per share in comparison with $8.63 last year are revealed in the annual statement of the Canadian Bank of Commerce, whose year-end is November 30.

Substantial increases are shown in the bank's deposits, current loans, security holdings and total assets over last year.

Surplus for the year totalled $284,117 compared with $50,120 last year and a deficit of $13,589 in 1935.

Profits for the year after deducting taxes and appropriation for the pension fund were $2,934,117, compared with $2,650,120 the preceding year.

Current loans were $149.5 millions, hardly $4 millions more than in the preceding year. Call loans in Canada were down sharply to $18.9 millions a $9 drop, credited largely to the slump in the security markets.

Details of profit and loss account are as follows:

Income and Surplus Account
Years Ended Nov. 30

	1937 $	1936 $
Net earnings	3,837,056	3,733,043
Less taxes	902,939	823,919
Pension fund	260,307	259,004
Net profit	2,673,810	2,650,120
Less appropriations:		
Dividends	2,400,000	2,400,000
W/o premises	250,000	200,000
Surplus for year	284,117	50,102
Previous surplus	715,515	665,375
Bal. carried forward	739,325	715,515

Strong Liquid Position

Further strengthening of the bank's liquid position is shown in the balance sheet. Quick assets, consisting largely of cash items, high-grade securities and call loans are up $13.5 millions although the falling off in call loans reduced the $30 millions gain in this respect last year.

Actual cash is at $63.6 millions, down $2.2 millions from the previous year accounted for chiefly by a lower deposit with the Bank of Canada and lower holdings of subsidiary coin.

Following the general banking situation in which banks could not find enough takers for current loans, Commerce security holdings advanced sharply this year to $262.9 millions, up some $40 millions, the major climb being in the short term category, although some $12 millions more went into long terms.

Current loans in Canada were up only $4 millions to $149.5 millions. Loans to provincial governments climbed $2.3 millions to $9.5 millions.

Public deposits stood about the same. Non-interest bearing deposits were off almost $10 millions, but interest bearing deposits advanced by about the same amount.

The bank's balance sheet with comparative figures for 1936 follows:

General Statement
As at Nov. 30

Assets	1937 $	1936 $
Gold held in Canada	4,449	3,992
Subsid. coin in Can.	820,523	836,473
Gold held elsewhere	31,072	10,496
Subsidiary coin else.	199,185	318,926
Notes of Bk. of Can.	7,563,559	5,810,602
Dep. with Bk. of Can.	56,966,540	58,822,611
	63,577,328	65,803,102
Notes of other banks	775,325	963,070
Cheques on other bks.	18,290,077	21,353,883
Foreign currency	987,136	903,796
Due by Can. banks and banks abroad.	24,905,311	30,004,001
Call loans in Can.	18,974,682	27,736,500
Call loans elsewhere	13,422,096	24,404,888
Government securities		
under two years	89,130,553	52,096,813
Other	113,534,255	101,704,773
Can. mun. secs.	9,053,837	10,670,781
Public secs. for.	26,483,159	16,717,586
Other securities	24,655,333	19,629,614
	262,857,137	222,295,128
Total quick assets	407,009,160	393,466,368
Current loans & discs.		
in Canada	149,476,793	145,772,836
Elsewhere	21,111,652	21,261,394
To prov. gov'ts.	9,452,631	7,117,173
To mun. & school dist.	20,260,314	23,073,730
Non-current loans	3,535,404	3,614,738
Bank premiums	14,721,759	14,791,584
Other real estate	2,567,332	2,748,523
Mtgs. in real est.	1,544,458	1,557,888
Letters of credit	17,139,196	19,000,109
Dep. re circ. fund	1,230,000	1,325,000
Shs. of & loans to subsids.	3,544,889	3,565,890
Other assets	535,943	442,670
	650,899,538	637,737,903
Liabilities		
To the public		
Circulation	21,678,861	24,559,751
Deposits by & bal. due to		
Dominion	15,073,545	876,452
Provincials	12,215,277	9,775,473
Deposits by the public		
Non-interest bear.	163,725,737	173,606,029
Interest bear.	356,893,811	345,534,082
Due to Can. bks.	1,429,833	1,973,220
To banks abroad	11,337,695	11,043,016
Bills payable	57,093	49,755
Letters of credit	17,139,196	19,000,109
	599,551,052	586,417,887
To the Shareholders		
Dividends	609,160	604,500
Reserve	20,000,000	20,000,000
Capital	30,000,000	30,000,000
Surplus	739,325	715,515
	650,899,538	637,737,903

Ottawa Plans to Lower Tariff on Automobiles; Opposition States Case

(Continued from page 1)

would have been richer by a great many millions of dollars had there been no Canadian production for the past 10 years and had the entire production of motor cars for Canada been imported from their American plants."

Actual difference in retail price between Chevrolet Master DeLuxe in United States and Canada is $240.45, according to Mr. Carmichael. Canadian federal tax is $68.79 as against $21.65 in United States, accounting for $47.14 of the spread. Dealer discounts are the same, but on account of higher price Canadian spread is larger. The excess tax and the higher allowance to the Canadian dealer total $106.96, explained Mr. Carmichael, leaving a balance for the car manufacturer and the parts manufacturers of $133.49. This amount, he said, is consumed in Canadian labor and materials, component parts, special tools, advertising and servicing of cars, all of these costs greatly exceeding those of the parent company due to the difference in volume.

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Inter Bronze Listing

From Our Own Correspondent

MONTREAL. — International Bronze Powders' capital stock has been called for trading on the Montreal Stock Exchange. The listing covers both preferred and common shares—of which there are 100,000 shares of each outstanding.

DIVIDEND NOTICES

Prudential Trust Company Limited

Notice is hereby given that a Dividend of 2½% on the Capital Stock of Prudential Trust Company Ltd. has been declared, payable on 3rd January, 1938, to Shareholders of record at close of business on 20th December, 1937.

By Order of the Board,
ALFRED HALL,
Secretary-Treasurer.
17th December, 1937.

The Mirror of Industry

of leadership and value. The 1937 annual number of Canadian Machinery will choke any letter-slot in the country.

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INVESTMENTS LIMITED
Dividend Notice

NOTICE is hereby given that a dividend of Twelve and one-half cents (12½c) per share on the paid-up capital stock of the Company has been declared to shareholders of record December 31st, 1937, payable January 15th, 1938.

SHARE WARRANT holders will present Coupon No. 38 at the Main Office of the Bank of Montreal in Victoria, Vancouver, Calgary, Edmonton, Winnipeg, Montreal, Halifax, St. John, or at the King and Yonge Streets Branch, Toronto, where payment will be made at par.

By order of the Board.

320 Bay St., Toronto.

E. M. STRAIN,
Secretary.

London Calling

by Atticus

The Vicar Makes a Business of Religion — Socialists Not Happy About Cripps's Return

H. M. THE QUEEN

H. M. THE KING

LONDON.—In spite of Signor Mussolini's personal appearance on the balcony of the Palazzo Venezia, in spite of Japan's determination to bring peace to China, in spite of sulky stock markets which stir for a moment like a laggard in bed and then go to sleep again, in spite of the popular press which makes our flesh creep each morning with the alarums and excursions of the world—in spite of all these things it is impossible not to feel the kindliness and the humanity of the approaching Christmas festival.

Perhaps it is the wintry picture of white covered cottages in a snowbound English countryside which conjures scenes of family felicities about the fireplace even if the family is probably listening on the radio to "Oh, they're tough, mighty tough in the West." Perhaps it is the extra touch of deference on the part of the club servants, the hall porters and the lift man.

Dickens dies hard in us all. No other man could so magnificently sweep away reality with such a Belishan broom and give us his own world of roaring fires, of dimpled cheeks, of steaming punch and jolly purpled-faced old boys scattering their blessings like largesse upon one and all and eating until their buttons pleaded for mercy.

And if all this seems a little previous I would ask you to come with me to a place where the machinery of Christmas cheer is already in full blast—the Church of St. Martin-in-the-Fields.

* * *

Rev. "Pat" McCormick

Coming back from America this summer I was fortunate to find Sir Louis Greig on the ship. Louis Greig, who played such an important part in the early development of the character of the King and his brothers, is one of those men who is addicted to persistent exercise. Thus he organized a cricket match on deck one day during a terrific roll (with a deck chair as the wicket) and in the slips I made the acquaintance of "Pat" McCormick who followed Dick Sheppard when he resigned from St. Martin's. We had many pleasant talks during the voyage and consequently I was delighted to receive a note recently asking if I would come to the monthly radio service at his church and sup at the Vicarage afterward.

Half an hour before the service was timed to begin queues of people were trying to get in although the church was already full. From what is more or less a royal box I studied this strange development of modern times. The congregation was being rehearsed in the responses, the psalms and the hymns. There was an electric atmosphere in the place as there is behind the scenes in a theatre just before the curtain goes up on a first performance. As the clock neared eight the tension was contagious. I glanced hurriedly at the first hymn to make sure that I would not mar the microphone when the time came.

Eight o'clock "Pat" McCormick, as he is universally known, ascended to the pulpit and announced the first hymn. Two thousand pairs of eyes fixed themselves upon him. His hands warned them. Then with great energy, albeit with a somewhat unorthodox beat, he drove his congregation at a tremendous pace through the hymn. There was none of that lagging a bar behind the organ. We got on with the job and, if I may say so, we did it very well indeed. The same with the responses. The mesmeric McCormick hand kept us on the alert.

* * *

Microphone Miracle

A curious and not uninteresting phenomenon. Two million or perhaps five million people were listening to the reality of a church service. Two thousand of us in the church were awed and excited by the reality of the unseen millions listening to us. The miracle of the microphone plus the human imagination had given actuality to the intangible.

"Pat" McCormick told me afterward at supper that these congregations come from long distances so as to worship and to "be on the air." They warn their families to listen and they go back home to hear a critical appreciation of their efforts.

If the purist condemns this blending of religion and artifice, finding more merit in an unattended church and an adolescent sermon, he has tradition on his side. But St. Martin's makes a business of religion. It is organized to succor the needy, to comfort the hopeless, to befriend the lonely, to bring faith to hearts that are filled with despair. There is no theological splitting of hairs in this church which is Dick Sheppard's greatest memorial. It is a night and day proposition to meet the problems of humanity that never sleep.

"Pat" McCormick's father was Vicar of St. James and Chaplain to Queen Victoria. The son is something like the muscular Christian in Shaw's "Androcles and the Lion." He was a first-rate rugby player, was with the Guards in the war, being awarded the D.S.O., and meets life with a fearless humanitarianism and a perfectly honest realization that practical religion needs practical organization.

* * *

Sir Stafford Cripps

It is an abrupt change from Mr. McCormick conducting his congregation to Sir Stafford Cripps pounding the box in the regained glory of the Socialist Front Bench. Nevertheless as a commentator on people and events I think we should take a fresh look at the learned knight who is leading the Opposition to the Government's Coal Bill. There is a puckish quality about Sir Stafford that is not entirely in keeping with his zeal as a reformer. The other night in an exchange of interruptions he touched his head to indicate that his opponent was intellectually bemused—or in other words "cookoo." In fact his vivacity since returning to the impenitent Bench is remarkable. Whether it is the pleasure of the wolf at being once more admitted by the sheep to the fold or whether it is the relief of being away from the rarefied spirit of Mr. Lansbury is a Crippsian secret. The fact is that he is speaking well even if the ranks of Tuscany still forbear to cheer. The Socialists are not happy about him—and show it. Perhaps they fear that any moment he might advocate Socialism, like the Russian delegate who shocked the first European disarmament conference by suggesting that everyone should disarm.

Sir Stafford, I am sorry to say, has one or two tricks which are more worthy of the lawyer than the reformer. If someone says of him that he made the statement that two and two make five (not an uncommon proposition in his philosophy) he rises with a patient smile and says: "But surely even the honorable member must have known that I was including X which automatically brings the total to five?" That roving quality of X means much to Sir Stafford. It is so indefinite, and so useful.

There is no question but that Cripps is a fine speaker with an enunciation that could be copied with advantage by many of his opponents, and a first rate style. Yet the paradox remains to puzzle us that so adroit a brain can produce such self-induced confusion. For example he is now advocating a world peace conference (an admirable thing in itself) and lays down these interesting terms:

> All nations to pool their colonial resources.
>
> In order that no country or group of countries could have an advantage over the others in the matter of exchange each colony would have to have a group currency against which each country would have to balance its own currency.
>
> The only countries entitled to share in this colonial co-operative society would be those which have the same democratic beliefs as ourselves.
>
> Countries practising Fascism would be ruled out.
>
> It would still be necessary for the democratic nations to maintain defense forces.

How right the honorable and learned gentleman is—about the defense forces! But why call it a Peace Conference? It would save time to declare war at once against Italy, Germany and Japan, and it would also spare the unfortunate people of the colonies trying to do business on the system of matching currencies with a dozen nations.

* * *

The American Ambassador

Many of us will feel that we have lost a personal friend in the death of Mr. Robert W. Bingham, American Ambassador to the Court of St. James. I shall not forget crossing with him on the maiden voyage of the Queen Mary when, making an appeal for seamen's charities, he painted such a picture of the British Empire as would have fired the blood of a solicitor's clerk. "I see the Empire of Britain," he said, "as a community of nations, peace loving and strong, created by the sea-going skill of a sea-faring race with an unequalled genius for colonization and for governing with the consent of the governed."

Mr. Bingham was a passionate adherent of President Roosevelt. His faith in his master touched fanaticism. If the economic experiments of the present Administration had brought the U. S. A. to ruin he would have seen in that ruin a lasting memorial to the President's genius. There was no compromise in Judge Bingham's nature. When he believed in something such as the Roosevelt Administration or Anglo-American friendship he refused to trim his sails to the winds of expediency. He had the soft accent of the South and much of its instinctive courtesy. When he found that I would be visiting Washington in the summer he went to much trouble to see that the doors were opened there to me and that I should not arrive as a stranger. Many others met with the same thoughtfulness.

* * *

One Year a King

We have passed the first anniversary of the reign of King George VI. It seems incredible that the tremendous drama of the Abdication was only a year ago. Already it seems to belong to history rather than to the record of contemporary events.

A year ago the nation welcomed its new and untried King. Without preparation, without even the dignified pageantry of death which preludes an accession to the throne, King George VI dedicated his life to the service of his people. There were high hopes of him and many anxious doubts. There were those who honestly believed that the days of the monarchy were numbered.

Seldom in the experience of men has there been seen such development of character and poise as His Majesty has acquired in the first year of his reign. That is not sycophancy. It is a truth realized alike by those of us who have seen him on many occasions and by the great masses of the people who feel truth instinctively. One need not ask what part the Queen has played in this happy consummation. Together they stand enthroned in the nation's heart—the King and Queen whose reign was begun on the sorrow of their people and rests securely now upon their gratitude and devotion.

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Quebec Power Calls Meeting

Write Off Intangible Item Against Capital Stock Is Planned

From Our Own Correspondent

MONTREAL.—Quebec Power Co. plans to write off in one lump sum all discounts and expenses in connection with its bond financing, amounting to approximately $2 millions, against capital stock.

In the ordinary course, the item of bond discounts, premium and expense would be written off by annual appropriations over a period of years, usually dependent upon the life of the bonds. Certain definite benefits will accrue to the company and its shareholders by writing off this expense by a single operation, and to that end the company has called a meeting of the shareholders on Dec. 28 to vote on the proposal.

The plan involves a technical reduction of capital by reason of the corresponding reduction in the amount shown as attributable to the no par value common shares on the liability side of the balance sheet. The shareholders' real equity in the properties, assets and earning power of the company will in no way be impaired.

At the end of last year, the company had outstanding 553,198 shares for which there was paid a total consideration of $13,394,950. Against this bond discount and expenses amounted to $2,045,450. If the write-down is approved by the shareholders, the issued capital will be shown on the books at a value of $11,349,500.

New Aid Sought By Standard Clay

Bondholders Asked to Waive Sinking Fund to Bond Maturity

From Our Own Correspondent

MONTREAL.—Holders of Standard Clay Products 6% first mortgage and refunding bonds have been notified of a meeting to be held Jan. 25 to consider releasing the company from sinking fund payments.

Bondholders in 1934 sanctioned the release for 1934, 1935 and 1936. The present proposal would extend this release until maturity of the bonds, Dec. 2, 1942.

At the end of last year Standard Clay Products had outstanding $457,900 of the 6% bonds. Originally the company issued $750,000 in 1913. Earning power has been rather restricted in the last five years. In 1930 and 1931 average annual net income was about $175,000. Since then the largest income for any one year was $29,712 in 1935.

Silverwood Dairies Ltd. Net $76,807 in 30 Weeks

Sales of $544,418 are reported by Silverwoods Dairies Ltd. for the four weeks ended Oct. 31, 1937, and sales for the 30 weeks to that date, $4.4 millions. Net profit after all charges totalled $9,033 for the four-week period, and $76,807 for the 30 weeks.

Owing to the consolidation of operations affected last year, figures for the corresponding periods of 1936 are not comparable.

Wider Quebec Power Market Sought by Export

(Continued from page 1)

energy outside the country was a federal matter.

As far back as 1907 the Dominion Government enacted the Electricity and Fluid Exportation Act setting forth regulations governing the export of electricity, oil and gas. Subsequently, when Ontario Hydro endeavored to cancel the Niagara contracts, a considerable outcry was raised in the neighboring New York State. As a result, the Public Service Commission of New York said it would be a calamity if the Niagara contracts were cancelled and, further, that Canada could not do so. In view of this the Canadian Government passed an order-in-council asserting Canada's right to cancel licenses.

At various times amendments have been made to the act, the last major change taking place in 1926 when, among other things, a duty was imposed of three one-hundredths of a cent per kilowatt hour on electricity exported with certain exports excepted. Further, the act required the renewal of licenses every year. While the latter may be regarded as a drawback, still it was taken for granted that once the license was issued it would be renewed from year to year without difficulty. The one-year license was created for the purpose of giving the Federal Government a closer control over exports and theoretically prevented the establishment of long-term contracts.

Small Percentage Exported

Contrary to general opinion the percentage of Canada's total output of electrical energy exported is relatively small: less than 7%. During the depression years the amount exported declined rather sharply, but of late has been picking up. Further, the growth in domestic requirements has been so great that the percentage exported has tended to fall off.

The relationship of exports to total production is set out below:

Year	Total output	Exports to U.S.
1933	17,553,001	989,364
1934	21,159,530	1,248,798
1935	23,404,412	1,364,587
1936	25,394,292	1,578,107
1937 (10 months)	22,702,265	1,542,458

Nominal Duty Collected

Revenue collected by Ottawa from the export of power has averaged well below $500,000 a year for some time. In 1933 it dropped to as low as $87,745, but has since recovered to $390,840. This trend follows:

Export Duty and Fees (Year Ended March 31)

	$
1937	390,840
1936	305,710
1935	265,872
1934	244,474
1933	87,745

Hydro in the Lead

For years past Ontario Hydro has been the largest producer of export power in the Dominion. During the year ended March 31, 1937, Canada exported to the United States 1,747,690,581 kw.h. of energy. Of this amount Ontario Hydro contributed 707,704,000 kw.h, or over one third.

There are at present 13 firms holding export licenses, of which four are in Ontario; two in Quebec; three in British Columbia and the balance in the Maritimes. The list of exporters, together with the amount of energy they exported in 1937, follows:

Year Ended March 31, 1937

Exporter:	Kilowatt hrs.
Ontario Hydro	373,738,000
Do., (surplus)	333,966,000
Cedar Rapids Mfg.	525,697,113
Can. Niagara Power	423,735,100
Do., (surplus)	38,773,100
Ontario & Minnesota	28,381,900
Maine & New Brunswick El.	15,431,410
B. C. Electric	218,506
Northport Power	285,506
Maritime Electric	1,705,560
Southern Can. Power	394,783
Northern B. C. Power	58,950
Fraser Cos.	4,797,000
Detroit & Windsor Power	263,000
Man. Power Commission	244,050
Total	1,747,690,581

Has Long History

The story of power licensing dates back to 1887 when the first charter for a power development was presented to parliament. The power was to be developed at Niagara and exported to the United States. The charter was extended from time to time. Finally, when the works were taken in hand about 1906, parliament realized that some export machinery must be created and the first Electricity and Fluid Export Act was passed in 1907. Ontario, through Sir James Whitney, then premier, was an assenting party. Later, the desirability of having export permits granted by the government was questioned. Sir Robert Borden tried to make the Railway Commission responsible, without success.

The first license went to the Ontario Power Company of Niagara Falls. Other licenses issued on the same day were to the Canadian Niagara Power Co. and to the Electrical Development Co., both of Niagara Falls. The first license permitted the export of 45,000 kw. or 60,000 h.p. The Canadian Niagara Power Co. license was for 39,165 kw. and the Electrical Development Co. for 34,316 kw.

Built by U. S. Money

Canadian Niagara Power Co. was built by American money at a time when there was no market for power in Canada. Its present capacity is about 100,000 h.p., of which it is licensed to export 60,300 h.p. The original license for 39,165 kw. ran from 1908 to 1912, when it was increased to 40,000. In 1915 it was increased again to 55,000. In 1918 and 1919 the license was cancelled but was renewed in 1920 at 40,000, stepped up in 1922 to 45,000, where it has remained ever since.

The Electrical Development Co. and the Ontario Power Co. held their licenses steadily. When the former company was taken over by the Ontario Hydro the contract was inherited. The Hydro continued to apply for licenses in the name of the old companies until 1925, when the license was issued direct to the Hydro.

With regard to the Ontario Power Co., the story is different. When the Hydro negotiated for its purchase, the export power contract outstanding ran until the year 2010. The Hydro tried to break the contract and in the upshot accepted it at a maturity in 1950. Licenses for this contract were also issued in the name of the old company until 1925 and then in the name of the Hydro.

Contracts Altered in 1927

Licenses on both these contracts were cancelled in 1918 and 1919, but restored in 1920. The one was for 35,000 and the other for 45,000 kw. In 1925, the Hydro license called for export of 80,000 kw. But in the same year the Hydro began the export of surplus power, receiving a license for the export of 45,000 kw. of such power. In 1927 a change was made. The license to export "firm" or ordinary power was cut to 45,000 kw., the amount of the original Ontario Power Co. contract, while the license for surplus power was stepped up to 80,000 kw. And about the same time the Canadian Niagara Power Co. was allowed to send out an additional 20,000 kw. of surplus power.

The other large contract is the Cedar Rapids Power and Manufacturing Co.'s agreement with the Aluminum Co. of America. This export contract began at 45,000 kw. in 1913, was increased to 75,000 kw. in 1917 and, with the exception of 1918 and 1919 when export was stopped, has been held there ever since.

Vexed Political Question

Power export has been a vexed question in both the Commons and the Senate. In a general way all parties are pledged to restrict it to the smallest possible amount; to prohibit it if possible. The Conservative party, in particular, is committed to a policy of cutting down exports, and in no case of increasing them.

In 1928, when the Carillon development was under consideration, Hon. H. A. Stewart, later minister of public works, moved an amendment to the Electricity and Fluid Export Act, removing the power to grant export license from the government, vesting it in parliament. His bill was warmly supported by the Conservative members in the Commons at the time. The bill was accepted, also, by the Liberal Government, but as a private measure was not reached before the end of the session.

In the second attempt in 1929 Mr. Stewart modified the measure, restricting it to new applications. He recognized, also, that emergent conditions sometimes arise in which export of power for a brief time is advisable. One such condition arose when the New England States were visited with floods. Their power plants were put out of action and the Canadian Government granted export licenses.

This bill, also, was warmly supported by Rt. Hon. R. B. Bennett who, in Mr. Stewart's absence, moved the second reading. It carried in the House of Commons unanimously, but died in the Senate.

Opposition to power exports have arisen in parliament because of a general belief that once power is allowed to leave this country it can never be repossessed. The American importers use it to supply light to communities, to create industries and for other essential services. It creates a vested interest which cannot easily be repudiated or compensated for.

Existing Export Contracts

There are a dozen contracts in existence under which power is exported. They are shown in an accompanying table.

Some of these contracts require explanation. The price paid to the Ontario Hydro is based on the kilowatt. The kilowatt is a larger unit than the horsepower. The approximate price in horsepower would be $12.60. The International Railway Co. is owned outright by an American company and furnishes power only to its owner.

Some of the contracts have many years to run. Yet under the Electricity and Fluid Export Act licenses to export may only be issued for one year. In this way parliament has been seeking for many years to make good the claim that this power can be recalled. The annual license, however, is really eyewash. The soundness of these contracts has never been questioned and even in discussing the Stewart bill the Commons not only consented to but insisted upon the point that existing licenses must be renewed from year to year. Parliament was only to be given authority over new licenses. In effect, therefore, while it may be argued, legally, that failure of the government to renew licenses would automatically break these contracts, the actual position is that licenses always will be forthcoming while the contracts exist.

SHOULD STOCKS BE BOUGHT?

The following are extracts from our December 15th letter:

—"Several highly regarded investments are selling at less than half this year's highs and almost all yield, with safety, from 5% to 8%."

—Some "stocks selling for less than seven times estimated 1937 earnings."

—"Another is offered at 60% of the liquidating value of its Government bond holdings."

—"A convertible preferred stock, earning five times its dividend, may be purchased to yield over 6%."

—Two speculations "have working capital equal to more than the selling price of the stock."

—"Many are quoted at one-quarter to one-fifth of their spring prices."

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Feb. 5 ASCANIA
Feb. 12 AUSONIA

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Jan. 9 SCYTHIA
Jan. 23 ANTONIA
Jan. 29 *ATHENIA
Feb. 6 AURANIA
Feb. 20 ANTONIA

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The Perfect Will

...CANNOT remain so without attention. Though it fitted your situation accurately when it was written, marriages, births, deaths, economic changes, increases in taxation and other factors may make revision advisable. Reread your will from the viewpoint of present conditions. Whether or not changes are contemplated, we shall be glad to tell you how our trust facilities can be useful in carrying out your estate plan for your family.

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IBC

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and
Branches Throughout Canada

International Paints (Canada) Limited

and Subsidiary Companies

Annual Report of Board of Directors for Year Ended September 30, 1937

TO THE SHAREHOLDERS:

Your Directors beg to submit herewith the Ninth Annual Report of the business and affairs of the Company for the fiscal year ended September 30, 1937, together with Financial Statements certified by your Auditors, Messrs. Price, Waterhouse & Co.

Your Directors deeply regret to record the death of their valued and esteemed colleague, Mr. James Playfair, who had been a Director of the Company since its inception.

After deducting $34,610.60 for Depreciation, the operations for the year show a profit of $112,122.04 as compared with $71,801.34 last year. Ten per cent of this amount has been transferred to General Reserve as required by the By-laws, and after allowing for income and profits taxes and transferring $27,790.55 to a reserve for amortization of the Company's bonds which mature in 1943, there is a balance of $52,500, which your Directors have determined as being the net earnings for the year available for the payment of dividends on the new preferred shares, in accordance with the terms of the Compromise or Arrangement between the Company and its shareholders approved by you on March 16, 1936; these net earnings being sufficient to provide for the regular dividend at the rate of 5% per annum for the year ended September 30th last and for an additional dividend of 1¼% (25c. per share) on account of arrears. Such dividends were accordingly declared on November 24th, payable on December 21st to shareholders of record at the close of business on December 9th.

During the year under review First Mortgage Ten Year 5½% Sterling Bonds amounting to £2,000 ($9,733.33) have been redeemed and cancelled. Your Directors have made provision for the redemption and cancellation of further bonds amounting to £6,000 ($29,200.00) so that the amount outstanding at September 30, 1938, will be £22,000 ($107,066.66).

All inventories have been priced on the basis of cost or market, whichever proved to be the lower.

Your Directors desire to express to the officials and all employees sincere appreciation of their services rendered during the past year.

In accordance with the By-laws, five of your Directors, Messrs. J. F. Belyea, W. W. Hutchison, J. E. Labelle, K.C., E. F. Newcombe, K.C., and F. M. Ross, retire at the ensuing Annual General Meeting and are eligible for re-election.

For the Directors,
J. W. STEWART, President.

Montreal, Que., December 1, 1937.

Consolidated Balance Sheet — September 30, 1937

ASSETS

Current Assets:		
Cash in Bank and on Hand	$100,385.94	
Accounts Receivable, less Reserve of $3,000.00 for Doubtful Accounts	277,026.99	
Surrender Value of Life Insurance Policies	4,020.00	
Physical Inventory, as certified by the Management, valued in respect of Raw Materials and Supplies at cost and as to Goods in Process and Manufactured Stock at standard costs estimated by the Management	276,550.64	$ 657,983.57
Investments in Property and Securities Carried at Cost, Less Reserve of $25,000.00		12,419.38
Deferred Charges to Operations:		
Prepaid Insurance, Taxes, etc.		8,000.46
Property Assets:		
Land at cost, less write-down resulting from expropriation, Buildings, Leasehold, Machinery, Plant and Equipment, at cost, with the exception of certain properties which are carried at a value determined by the Chartered Trust & Executor Company in November, 1931, viz.: $25,000.00 plus subsequent additions at cost	572,123.94	
Less: Reserve for Depreciation.	215,596.75	356,527.19
Trade Marks, Patents, Formulae and Goodwill		190,001.00
		$1,224,931.60

LIABILITIES

Current Liabilities:		
Accounts Payable	$ 62,279.62	
Accrued Liabilities	1,723.31	
Provision for Dominion, Provincial and Other Taxes	32,041.49	$ 96,044.42
Mortgages Payable:		
Due March 1, 1938	6,000.00	
Due April 1, 1942	4,400.00	10,400.00
First Mortgage Ten Year 5½% Sterling Bonds Due September 1, 1943, £30,000-0-0	$146,000.00	
Less: Redeemed and cancelled £2,000-0-0	9,733.33	136,266.67
General Reserve		30,611.87
Reserve for Amortization of Bonds		36,356.45
5% Cumulative Participating Preferred Stock:		
Authorized and Issued — 42,000 Shares of $20.00 each		840,000.00
Note: Dividends aggregating $6.75 per share have accumulated on the Preferred Shares, of which $1.25 has since been declared payable on December 21, 1937. When all arrears of dividends are fully paid up the dividend rate will increase to 6%.		
Common Stock:		
Authorized and Issued— Class "A" 20,860 shares without par value	$104,300.00	
Class "B" 7,140 shares without par value	35,700.00	
	$140,000.00	
of which the total amount was attributed to Surplus	140,000.00	
Capital Surplus		10,087.69
Earned Surplus, Balance at September 30, 1937, as per statement attached		65,164.50
		$1,224,931.60

Approved on Behalf of the Board:
J. EDOUARD LABELLE, K.C., Director.
J. H. DAVEY, Director.

Submitted with our Report to the Shareholders Dated November 25, 1937
PRICE, WATERHOUSE & CO., Auditors.

Consolidated Statement of Profit and Loss and Earned Surplus for the Year Ended September 30, 1937

Profit from Operations, before provision for the undernoted items		$ 180,533.84
Income from Investments and Rented Property	$ 1,355.60	
Miscellaneous Income	534.16	1,889.76
		$182,423.60
Interest on Bonds and Mortgages.	$ 8,448.13	
Directors' Fees	2,533.34	
Executive Salaries	23,957.54	
Legal Fees	751.95	35,690.96
		$146,732.64
Provision for Depreciation		34,610.60
		$112,122.04
Provision for Dominion and Provincial Income and Profits Taxes	$ 20,619.29	
Transferred to General Reserve	11,212.20	31,831.49
		$ 80,290.55
Transferred to Reserve for Amortization of Bonds		27,790.55
		$ 52,500.00
Earned Surplus, Balance September 30, 1936		55,515.46
		$ 108,015.46
Organization Expenses written off	$ 500.00	
Prior years' adjustments in respect of Income Taxes	359.96	
Dividend paid on Preferred Stock, December 21, 1936	41,991.00	42,850.96
Balance of Earned Surplus, September 30, 1937		$ 65,164.50

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of International Paints (Canada) Limited and its wholly owned subsidiary companies for the year ending September 30, 1937, with the exception of Stewart & Wood Limited, in respect of which we have accepted accounts audited by another firm of Chartered Accountants. We have received all the information and explanations which we have required; and we report that, in our opinion, the attached Consolidated Balance Sheet at September 30, 1937, is properly drawn up so as to show a true and correct view of the state of the combined affairs of International Paints (Canada) Limited and its subsidiary companies at that date, according to the best of our information and the explanations given to us, and as shown by the books of the companies which we have examined, and by the audited accounts of Stewart & Wood Limited.

PRICE, WATERHOUSE & CO.,
Auditors.

Investment Trends

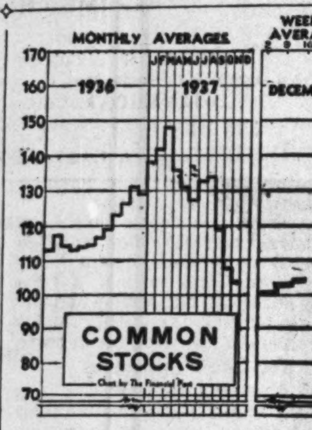
Wait and See Policy Favored by Investors

Christmas Sales Reported Good With Inventories Not Excessive in Canada — What Is Fair Return?

Common stock prices may swing out of the recent trading range early in the new year. Such an event may have important significance. If prices move downward from the recent range, as measured by market averages, it would suggest a further period of uncertainty as to the end of the decline of the past nine months. If prices move the market averages above the recent range, it may mark the beginning of an advance for the greater part of 1938.

The dullness of stocks for the past two months suggests investors feel discretion is the better part of valor. There is this to be said in favor of such an attitude, that even after an advance has started there are invariably periods of weakness in which the investor has the opportunity to make purchases. And it is better to feel sure than to be sorry for one's haste in trying to anticipate a period of rising prices.

The low of stock prices in the Great Depression was reached in 1932, although market averages dropped nearly as low again in 1933 after a substantial intervening rise. The investor had nearly as favorable opportunities in 1933 as in 1932 and could be more confident in judging that the worst had been passed. The rising price trend was interrupted by substantial setbacks in 1934 and 1935, so it is hardly remarkable that there has been another big recession in 1937. The past year's slump certainly does not yet indicate that the period of recovery has turned back into another major depression.



* * *

Good Christmas

After some hesitation in the pace of retail sales in autumn months, there has been good volume in Christmas sales, at least in eastern Canada. Reports of the best Christmas volume since 1930 are not uncommon.

It is difficult to explain the variations in sales volume of some representative retailers in recent months. Possibly the decline of stocks earlier this year had something to do with a tendency for shoppers to hold back. At any rate the public purse appears to have been opened wider for the heavy Christmas season than for autumn months.

The early decline of stock markets this year furnished warning of the possibility of hesitation in sales increases. Retailers therefore had ample time to let inventories shrink. It would not be surprising if spring volume in consumption lines were to improve as retailers fill their emptied shelves.

* * *

Returns on Stocks

It is difficult to establish just what is a fair return on common stock investments, yet the determination of such returns is just another way of measuring prices. In the difference, for instance, between a 4% and a 6% yield on common shares there is a variation of one third in the price.

Even though the investor buys the best common stocks on the market, he may suffer severe losses by paying excessively high prices for the actual or potential dividend income. As examples, the top prices for 1937, close to 100 for Steel of Canada, Goodyear Tire and Canada Packers, now appear to have been too high.

* * *

Trouble for Canners

Higher costs for tin cans for the 1938 pack is apparently going to have some effect on the Canadian canning industry, according to a survey by Hardware and Metal, Toronto. In spite of recent signs of easing in the tin plate market, it is estimated that next year's pack will use cans costing as much as four cents a dozen more than did this year's for the 2½'s size.

Another item causing some concern to canners is the prospect that the United Kingdom-United States trade treaty, when it comes, will lower the British tariff on canned goods, giving to the United States more than the large share of the market for canned goods which they already enjoy. Approximately 75% of the canned fruits consumed in Great Britain now comes from the United States, according to Canadian Grocer, and canners in this country do not see why the United States should try to get the other 25% as well.

* * *

Quiet Accumulation

In pointing out that informed accumulation of proved dividend-paying stocks is proceeding steadily, F. H. Deacon & Co. in their December letter suggest that the old stock exchange saying that the public buys at the top and sells at the bottom is being repeated.

Admitting business news from the United States may continue unsatisfactory into the new year, the letter suggests that replacement of high inventories of last winter is coming closer, although liquidation is not yet complete. In Canadian markets the letter points to a number of "highly regarded investments" now selling at less than half the 1937 high and yielding from 5% to 8%. Other companies have working capital equal to more than the selling price of the stock, with several stocks selling for less than seven times estimated 1937 earnings.

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Brew. & Distillers Profits Higher

Dividend Announcement Expected in Early Spring

Brewers and Distillers, of Vancouver, Ltd., reports an increase of 5.9% in brewery profits for the first 10 months of 1937 over the corresponding period of 1936. Profit from distillery operations in the domestic market shows an increase of 20.8% while the liquidation of the company's American type of whiskies was continuing. The improved profit was stated to be due to an increase in the volume of turnover.

The company reports that more than sufficient to pay an 8% dividend on the par value of the shares was earned in the first half of the year. Its cash position is said to be strong and shareholders may expect a dividend announcement in the early spring.

As a result of the company's policy of liquidating inventories of American type whiskies, capital distributions are made to holders of the company's 577,738 common shares at periodic intervals. So far this year two capital distributions of $1 a share each have been made. This, in addition to dividends of 50 cents a share, makes a total distribution of $2.50 a share so far this year. In 1936, net profits were equivalent to 94 cents a share on the common stock which is the company's only capitalization.

Stedman Bros. May Pay Bonus

Profits Gain 55% in 11 Months — More Stores Opened

Higher dividends on the common stock of Stedman Bros. Ltd. are probable next year, if profits continue at present levels. The regular payment of 15 cents has been declared, payable Jan. 1, 1938, to shareholders of record Dec. 15, and it is possible that a bonus will be paid in April.

Sales and profits continue to run well above those of 1936. In the 12 four-weekly periods ended Dec. 4, 1937, a preliminary statement shows profits before taxes, shrinkage, and adjustment of warehouse inventories 55.51% higher than in the corresponding period of 1936. Warehouse sales increased 32% and store sales 42%. Warehouse profit was up 52%, while a 60% gain was shown in store profit.

Net profits in 1936 were $178,485, so that, if December business holds up, the net this year should be around $275,000. This would be 15 times preferred dividend requirements, and would mean earnings of about $2.80 available for the common shares.

The company controls a chain of variety stores, most of them in Ontario. At present 140 stores are in operation, 47 owned, and 93 under franchise.

Eastern Steel Products Declares $1 on Common

Eastern Steel Products Ltd. has finished a very good year, and will probably show sales and profits ahead of the previous period. The company's fiscal year ended Nov. 30, and final results are not yet available.

A dividend of $1 has been declared on the common shares, payable Feb. 1, 1938, to shareholders of record Jan. 15. A similar amount was paid in November, 1936.

Donald Gamble Forms Ottawa Investment Firm

From Our Own Correspondent

MONTREAL.—S. Donald Gamble, formerly of H. C. Monk & Co., Ottawa investment dealers, has formed his own firm under the name of Donald Gamble & Co., to deal in government, municipal and corporation bonds, with head office in Ottawa.

Investment Notes

Beauharnois—There is a likelihood that the Quebec Electricity Commission will order a reduction in the interest rate on Beauharnois Light, Heat & Power 5½% bonds, all of which are now held by Montreal Light, Heat & Power. This would have an important bearing on the earning power of Beauharnois Power Corp. if this rate were reduced to 3½%, the same as paid on the Montreal Power bonds given to the public in exchange for the Beauharnois 5½% issue.

* * *

Tip Top Tailors—The annual statement, when it appears in February, is expected to show the company enjoying a good year. This is indicated by the recent declaration of an extra dividend of 10 cents a share on the common in addition to the regular 15-cent quarterly payment, both payable Jan. 2, 1938, to shareholders of record Dec. 17.

* * *

J. S. Mitchell—Sales of the company for the current year have shown an improvement and there has been a proportionate gain in net profits. A further reduction has been made in the funded debt and outstanding preferred stock. Expectations are that the company will declare a dividend of $2 a share on the common stock next month.

* * *

International Bronze Powders—Preliminary reports from branches indicate an appreciable increase in sales volume for 1937 as compared with 1936. At present business is running at an increased rate in all countries except the United States and in the latter country, orders received during the past few weeks have indicated a healthy position.

* * *

Canada Bud Breweries — Earned surplus was $359,146 at Oct. 31, 1937, after providing for the Dec. dividend, an increase of $26,752 over that reported at June 30 this year. This indicates that the company's profits have more than covered the 80 cents a share paid in dividends.

With its subsidiary, City Club Breweries, the company has inaugurated a group insurance and pension plan under which the companies are paying entire cost of the insurance, back payments under the pension plan and a substantial part of the future cost of pensions.

J. W. SPITZER

G. F. MILLS

Lord & Thomas of Canada Ltd. announces the appointment of J. W. Spitzer and G. F. Mills, account-executives, as vice-presidents of the company.

Newsprint Industry Difficulties

(Continued from page 1)

promptly in order to offset the higher cost and also to keep down the storage changes.

May Delay Absorption

There is no means of telling at this time how long it will take the publishers to absorb these 300,000 tons of surplus stock. Reports received from the States by some Canadian manufacturers indicate the surplus will be drawn on over a period as long as six months. But the greater part will undoubtedly be used within three months. The latter development is preferable from the manufacturer's point of view, in that it will bring about more quickly a balance between supply and demand which will permit a more prompt restoration of normal conditions.

The absorption of the surplus stocks in the first quarter naturally means the American publishers will call upon the producers for that much less tonnage. As there is not likely to be any material change in American production or in imports from Europe, Canada will have to bear the brunt of the restricted shipments.

Hit Canadian Output

If consumption is maintained next year, the liquidation of these stocks means that Canadian production will be restricted to the extent of 600,000 tons. In view of the fact that the surplus is only 300,000 tons, the restriction of 600,000 tons may be somewhat confusing. This can be more readily understood by quoting a hypothetical case: if a publisher received 100 tons of newsprint in 1937 and used only 90 tons, there would be a carryover of 10 tons. Therefore in order to bring production in 1938 down to the consumption of 1937, there would be a drop from 100 plus 10 minus 90 or a decline of 20 tons. Thus for the Canadian manufacturers to bring down production in 1938 to the level of consumption in 1937, they will have to restrict output by 600,000 tons.

Present estimates are that the Canadian newsprint industry will produce 3,650,000 tons for 1937. In order to liquidate the surplus stocks, production in 1938, allowing for no decline in consumption, will total just over 3.1 million tons, for 1938.

Sharp Curtailment Ahead

For the current year it is estimated Canada will ship to the United States approximately 2,850,000 tons, or an average of 712,500 tons for each quarter. If the American publishers draw upon the surplus stocks to the extent of 300,000 tons during the first three months of 1938, this means that they will call upon Canada to deliver 412,500 tons for the January-March period next year.

This does not mean that Canada will only produce 412,500 tons in the first quarter. To that figure should be added Canadian consumption and shipments overseas, which would require an aggregate for all markets of nearly 600,000 tons, as against a production in the first quarter of this year of nearly 864,000 tons. On the basis of the new ratings, the potential production for the first quarter of 1938 would be equal to about 57% of rated capacity.

Lower Consumption Seen

These figures, of course, do not make any provision for possible decline of consumption due to a restriction of advertising in the United States. The trend in the last two months has not been favorable and indications are that consumption in the first quarter of 1938 will not be as great as it was this year.

Estimates vary, naturally, as to the percentage of decline in consumption over the next three months. Many observers hold to the opinion that consumption for the full 12 months will be as much as 5% to over 10% lower than in 1937. This latter estimate may be too high, as with the return of confidence, American business could quickly re-establish itself. In that event the outcome for the year would be distinctly encouraging in view of the present problems confronting the industry.

Affect Operating Costs

Decline in operations naturally will have an effect upon the manufacturers' cost per ton. Of the $7.50 a ton increase in price for 1938, it is calculated that at least $3.50 a ton will go toward increased operating costs, higher wages, materials, etc., leaving $4 profit to the producer.

This gain in operating profit will more than offset the decline in volume, provided that consumption remains unchanged. But if there is any material decline in consumption, this narrow margin might quickly disappear. Consequently the manner in which the industry will come through 1938 will depend very largely upon its ability to successfully weather the next three or four months.

Marcus Loew's Shareholders Seek Payment on Arrears

Recommendation that a full year's dividend be paid on preferred arrears was made by a group of shareholders at the annual meeting of Marcus Loew's Theatres Ltd. in Toronto, last week.

Officials of the company pointed out that a conservative dividend policy was advisable, due to the uncertain outlook caused by labor troubles in Hollywood. These might become serious enough to make the securing of good pictures difficult, or to raise operating costs. It was agreed, however, to place the suggestion before the board of directors for consideration.

The company has not been clear of arrears since 1921, and the amount is now $42 per share. The regular rate of $1.75 quarterly has been paid regularly since June, 1934, and in June, 1937, an extra distribution of one quarterly payment was made.

Financial position has been steadily improving since the end of 1930, when current liabilities exceeded current assets by $28,249. On Aug. 26, 1937, current assets were 11.12 times current liabilities, and were composed almost entirely of cash, which amounted to $290,830. Critics claim that this is more working capital than the company requires in the ordinary course of business, and that steps might be taken to reduce arrears, which amount to $274,638.

The company owns two moving picture houses in Toronto, one of which, Loew's, it operates, while the other, the Uptown, is leased to Famous Players Canadian Corp. As the company is not directly interested in the production of pictures, some shareholders express doubt regarding the need for concern about Hollywood labor troubles.

Preferred shareholders are protected by the right to one vote per share when dividends are in arrears to the extent of two quarterly payments. The common stock still has voting control, however, as there are 7,500 shares of common outstanding, compared with 6,539 preferred shares.

National Grocers Plan Opposed By Shareholders

An open letter is being addressed to common shareholders of National Grocers Co. by J. C. Chalmers, of Toronto, expressing opposition to the proposed plan of arrears settlement to be considered at the meeting Jan. 4, 1938. Mr. Chalmers represents holders of common shares. The plan calls for payment of $4 cash and the issue of rights to buy new common shares for $1 on the basis of three shares for each preferred. It would also make the preferred non-redeemable until 1943.

Mr. Chalmers considers that the arrears should be paid in cash only as the postponement of redemption and the issuing of additional common shares are not in the interests of the present common shareholders. He claims that payment could be made in cash during the next two years without appreciably impairing working capital position, and that the 7% preferred shares could then be refunded at a lower rate.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg mater. 14	Power and traction 15	Banks 9	Total utilities 19	Total co's 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	91.1	94.4	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	97.5	96.7	73.1	142.4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141.8	213.4	94.7	95.9	71.0	147.[illegible]
Apr.	157.5	47.1	117.4	230.4	79.9	182.4	133.4	204.8	85.1	94.0	64.1	136.[illegible]
May	151.3	38.5	109.4	229.6	77.5	178.5	128.4	188.4	84.0	92.7	63.0	132.[illegible]
June	148.1	38.2	103.[illegible]	220.2	77.7	177.7	131.0	179.6	84.1	92.3	63.2	129.4
July	148.0	40.5	102.0	222.6	79.7	182.1	136.1	188.7	88.0	90.2	63.9	133.[illegible]
Aug.	151.2	40.4	95.2	223.6	79.5	182.0	136.9	192.7	90.4	89.9	65.2	135.[illegible]
Sept.	122.8	29.3	89.1	205.3	73.3	167.9	118.8	159.4	78.6	84.9	57.4	118.[illegible]
Oct.	104.3	22.5	69.9	192.0	68.0	154.1	105.6	132.5	70.7	81.4	51.7	105.8
Nov.	104.7	20.4	80.1	193.2	67.7	154.1	115.7	129.5	66.9	79.0	49.6	103.1
Weekly Figures, 1937:												
Dec. 2	104.1	20.1	81.7	190.0	66.0	151.5	113.3	128.4	64.2	78.4	48.4	101.4
Dec. 9	103.9	19.9	82.3	191.5	67.6	154.7	117.2	130.4	65.8	80.8	49.3	103.9
Dec. 16	102.5	19.0	82.9	189.3	68.1	155.0	115.6	129.5	67.3	82.2	50.1	104.0

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Dec. 21	124.51	118.55	122.95
Dec. 20	123.68	118.98	122.31
Dec 18	122.31	119.20	119.42
Dec. 17	122.37	119.30	119.45
Dec. 16	122.74	119.08	118.25
Dec. 15	122.36	117.69	117.66
Month ago	116.72	116.01	107.95
Year ago	156.26	148.74	190.63
High, 1937	187.67	166.59	215.36
Low, 1937	110.63	96.27	97.01

Montreal Stock Exchange Averages

	10 Util.	20 Indus.	30 Comb'd
Dec. 21	67.9	77.8	74.5
Dec. 20	68.5	77.6	74.5
Dec. 18	67.7	76.2	73.4
Dec. 17	67.9	75.7	73.1
Dec. 16	67.7	75.7	73.0
Dec. 15	67.9	75.1	72.7
Month ago	65.0	71.4	69.2
Year ago	79.8	104.2	96.0
High, 1937	92.5	122.3	100.5
Low, 1937	63.6	61.4	62.3

Abitibi Sales Show Drop

Sulphite Sales and Price Decline — Newsprint Shipments Up

Earnings of Abitibi Power & Paper Co. for November were $411,529, down from $431,932 in October, although far greater than the $200,391 reported for November last year. The decrease was due largely to unfavorable developments in the sulphite trade.

Shipments of bleached sulphite pulp declined to 3,464 tons in November compared with 4,009 tons in the previous month and 5,099 tons in Nov., 1936. Shipments for 11 months of 1937 totalled 55,971 tons, and the receiver and manager estimates December shipments at about 2,200 tons. Effective Dec. 17, United States producers reduced the market price by $10 a ton, but this not likely to lead to an increase in orders and shipments until consumers' excess inventories are adjusted.

Newsprint shipments for November totalled 47,153 tons, up from 46,677 tons in October and 36,639 tons in the same month a year ago. Total for 11 months was 439,752 tons. No serious decline is expected in December shipments, but this will likely materialize in the early months of 1938 when customers will not only be adjusting their excess stock, but will also be starting to pay for their requirements at the advanced price of $50 a ton.

Canada Cement Boosts Dividend

Distribution on Preferred Reflects Advance in Earnings

From Our Own Correspondent

MONTREAL.—Canada Cement Co. has declared a dividend of $2 a share on the 6½% preferred, to bring the total to $6.50 a share applying on the fiscal year ended Nov. 30, 1937. Directors have also declared a dividend of $1.25 a share on the preferred to apply for the first quarter of the present fiscal year. Both dividends will be payable March 21 to shareholders of record Feb. 28.

Canada Cement's financial statement for the year ended Nov. 30 will make its appearance some time within the next month, and is expected to show a further improvement in earnings. In the 1936 fiscal year the company reported net earnings of $663,241. This was equivalent to $3.30 a share on the preferred; the best reported since 1932.

Montreal Loco. Works Gets Order from Mexico

From Our Own Correspondent

MONTREAL.—Montreal Locomotive Works Ltd. has received an order for three Pacific type locomotives for the Mexican Railway Co.

The company recently completed two locomotives for shipment to Trinidad, where they will be used by the Trinidad Government Railway. They are of Class 280 standard gauge and oil burning.

Invest Surplus Funds

Sound Government Bonds provide the safest and most marketable securities obtainable by investors. The following attractive Canadian Bonds are available for the investment of year-end funds:

Security	Rate %	Due	Price*	Yield %
Dominion of Canada	3¼	1946-49	101.50	†3.05
Province of Ontario	3¼	1951	99.75	3.27
Province of Quebec	3¼	1952	98.29	3.40
Province of Nova Scotia	3½	1949	98.75	3.62

*Plus accrued interest. †Yield to first call date.

Denominations: $1,000 and $500.

Additional investment suggestions forwarded upon request.

Wood, Gundy & Company
Limited
36 King Street West, Toronto
TELEPHONE: ELgin 4321

Settle Dividend Arrears For Dunlop Tire Co.

(Continued from page 1)

1936, repaid. Working capital figures would compare as follows:

Working Capital
As at Dec. 31

	*1937 $	1936 $
Current assets	2,398,191	1,917,047
Current liabilities	394,054	476,247
Working capital	2,004,137	1,440,800

*Giving effect to the proposed reorganization and investment of $500,000 of new capital.

As the issue of new $25 par value preference shares to satisfy the claims of holders of present 7% $100 par value preference shares plus arrears of $45.50 a share will involve the issue of fractional shares, the company is willing to purchase or sell fractions on the basis of $25 a share up to and including Sept. 30, 1,938. After Sept. 30, 1938, all fractions will be purchased at $25 a share and the proceeds distributed pro rata to holders

Arthur B. Purvis, president, in a letter to shareholders, states that consent of common shareholders has already been obtained to the scheme.

The company's sales are showing steady expansion and the need for working capital of a permanent nature has become pressing. Until the needed working capital is provided and deficit eliminated, it is not possible to pay dividends on the preference shares nor to carry out profitable expansion.

Officials estimate that the company will show a profit for 1937 of $22,000 which will compare with the following deficits for preceding years: 1936, $108,556; 1935, $152,588; 1934, $224,088; 1933, $196,120; 1932, $422,094.

The company estimates that, provided business continues on at least its present level, payment of dividends on the new 5% preference shares can be started when the first payment becomes due on June 30, 1938. The payments accrue from Jan. 1, 1938, and are to be made semi-annually.

Collingwood Terminals Negotiates With Town

Negotiations are now in progress between Collingwood Terminals Ltd. and the town of Collingwood in regard to the default of interest and principal by the company on the mortgage held by the town. The first meeting, an informal one, was held last week, but no decision is expected for some time, perhaps several months.

Under the terms of the mortgage, the town may foreclose at once if it so wishes. The principal amounts to $654,000 maturing in serial amounts to 1954, and it is possible that a compromise agreement will be made. Until this is settled, however, the position of the shareholders is uncertain.

The company at present has approximately $12,000, of which $2,000 is in cash and $10,000 on call loan. All taxes are paid to date, and 1,446,000 bushels of grain are in storage. Sufficient funds are accordingly on hand or in sight to pay operating expenses until next summer, according to officials, but not enough to allow anything for interest or principal on the mortgage.

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TORONTO

THE CANADIAN BANK OF COMMERCE
HEAD OFFICE - TORONTO

PROFIT AND LOSS ACCOUNT
For Year Ending 30th November, 1937

Balance brought forward from last year	$ 715,515.52	Dividends at eight per cent. per annum	$2,400,000.00
Net profit after deducting Dominion and Provincial taxes of $902,938.69 and making full provision for bad and doubtful debts	2,934,117.08	Transferred to Pension Fund	260,306.87
		Written off Bank Premises	250,000.00
			$2,910,306.87
		Balance carried forward	739,325.73
	$3,649,632.60		$3,649,632.60

STATEMENT AS AT 30th NOVEMBER, 1937

ASSETS

Cash on hand and due from Banks and Bankers	$ 91,459,837.64
Notes of and Cheques on other Banks	19,065,402.86
Government and other Public Securities (Not exceeding market value)	238,201,806.26
Other Bonds and Stocks (Not exceeding market value)	24,655,333.10
Call and Short Loans (Security held of sufficient marketable value to cover)	32,396,781.11
Deposit with the Minister of Finance for the purposes of the Circulation Fund	1,230,000.00
Total Quick Assets (67.88 per cent. of Total Liabilities to the Public)	$407,009,160.97
Loans and Discounts (After full provision for bad and doubtful debts)	203,836,796.67
Liabilities of Customers under Letters of Credit as per contra	17,139,196.22
Bank Premises	14,721,759.91
Other Assets	8,192,624.83
Total Assets	$650,899,538.60

LIABILITIES

Notes in Circulation	$ 21,678,861.48
Deposits	560,675,901.40
Bills Payable	57,093.22
Letters of Credit outstanding	17,139,196.22
Total Liabilities to the Public	$599,551,052.32
Capital Paid Up	30,000,000.00
Reserve Fund	20,000,000.00
Dividends declared and unpaid	609,160.55
Balance of Profits as per Profit and Loss Account	739,325.73
Total Liabilities	$650,899,538.60

S. H. LOGAN, *President* A. E. ARSCOTT, *General Manager*

To Debenture Holders of

THE CITY OF EDMONTON, ALBERTA, CANADA,
THE EDMONTON SCHOOL DISTRICT NO. 7 OF THE PROVINCE OF ALBERTA,
THE EDMONTON ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7 OF THE PROVINCE OF ALBERTA.

TAKE NOTICE that, plans for refunding the debts of the above mentioned Corporations having been given the necessary authorizations, new Debentures of the said respective Corporations will, on and after February 1st. 1938, be exchangeable for all outstanding old Debentures at the offices in the City of Edmonton of the respective treasurers of the said Corporations, and that after January 31st, 1938, interest will cease to accrue on said old Debentures. All Debentures forwarded for exchange must be accompanied by all coupons maturing on and after February 1st, 1938, and, if registered, by transfers with signature guaranteed by a chartered Bank or a Trust Company.

THE CITY OF EDMONTON,
THE EDMONTON SCHOOL DISTRICT NO. 7 OF THE PROVINCE OF ALBERTA.
THE EDMONTON ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO 7 OF THE PROVINCE OF ALBERTA.

PROVINCE OF QUEBEC
3¼% Sinking Fund Debentures
(Non-Callable)
Due 1st June, 1952
Price: 98.29 and interest
To Yield: 3.40
Full Details Upon Request.
HANSON BROS.
INCORPORATED
Established 1883.
255 St. James St. W.
MONTREAL
Ottawa Toronto

GATINEAU POWER
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Ask for Analysis P11.
Greenshields & Co
Members Montreal Stock Exchange
Montreal Curb Market
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC
SHERBROOKE
118

Distillers-Seagram Lists Additional 5,000 Shares

From Our Own Correspondent

MONTREAL.—An additional 5,000 shares of Distillers Corp.—Seagram's 5% cumulative preferred stock, and 5,000 additional shares of common stock have been listed on the New York Stock Exchange.

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Diesel Wanted
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WANTED, $15,000 AT SIX PER CENT. First mortgage security on property worth over $100,000 out of city. Box No. 11, The Financial Post, Toronto.

Bond Markets

Stronger Tone Shown By Highest Grade Bonds

Canada's Refunding Operations Cut Average Interest Rate to New Low — Yields Close Field to Small Investor

'The market for high-grade Canadian government bonds has been strong and active for the past week. No large amounts of new financing have been announced, however, so that its ability to absorb large blocks of bonds after the offerings of November has not so far been tested. Some municipalities have obtained money at favorable rates but the issues were comparatively small.

As measured by The Financial Post average of government bond prices the market has moved in a narrow range since May, holding considerably below the record levels reached late in 1936. In this its behavior has been in distinct contrast to that of the stock market or even the market for more speculative corporation bonds.

This more speculative group, led possibly by the newsprint issues, has been having considerable trouble in maintaining an even price level. News now coming out, particularly on the newsprint and pulp situation, can hardly be considered encouraging to speculative commitments.

Average Debt Costs

Successive refunding operations by the Dominion have reduced the average interest rate on the total funded debt, including treasury bills, to 3.535%. In 1922 this average rate was at its peak of 5.204%. Since 1930 the average rate paid on bond, debentures and treasury bills by the Dominion has been as follows:

Average Interest Rates on Dominion Debt

	%		%
1930	5.017	1934	4.630
1931	4.976	1935	4.150
1932	4.970	1936	3.938
1933	4.892	1937	3.535

Opinion appears to be now that not much further reduction can be made through refunding. The next step should be a debt reduction plan.

• • •

Debt Up But Not Interest

The reductions in average annual interest rates have enabled the Dominion to carry a much larger total debt without a corresponding increase in amounts paid for interest. In 1924, for example, when the average rate was 5.134%, total of bonds, debentures and treasury bills outstanding was $2,504 millions requiring annual interest payments of $128.6 millions.

In 1936 total bonds, debentures and treasury bills outstanding has risen to $3,265.3 millions. Reduction in average interest rates, however, to 3.938% has kept total annual interest payments on this much larger total of debt to $128.6 millions, the same amount as in 1924.

The deficit financing of the depression period has been made substantially easier by interest rate reductions, accomplished by the Dominion in a manner which even the most orthodox of financiers could hardly criticize.

• • •

Bond Buying For Everyone

This reduction in interest payments on the Dominion debt in spite of much larger total of bond, debentures and treasury bills gives a partial explanation of the reason why the banks and other large investing institutions have become such an important factor in the bond market. Interest rates for the best grades of bonds have become so low that the average person who must depend on hard and slow savings for old age cannot afford to buy government bonds, or at least has come to think that he cannot.

This condition results in two factors which are not desirable. In the first place, distribution of the debt is not as wide as it should be. It is concentrated in a few hands. In the second place, an important incentive toward national thrift loses much of its value.

• • •

Attracting Small Buyers

When the attitude of the ordinary investor toward a new Dominion loan becomes such that he feels this is not for him but rather is intended for the banks and insurance companies, then some action appears desirable. It has been suggested that some effort should be made to have available for the small investor some form of Dominion obligation that would be readily available in small denominations. The cost might be higher but to accomplish the twin objectives of wider distribution of government debt and national thrift it should be desirable.

The United States has a plan for selling savings bonds directly in small lots through post-offices, directly from the treasurer of the United States or any Federal Reserve Bank. A limit of $10,000 maturity value is placed in the amount issued during any one calendar year which may be held by one person. Typical rates show that for $75 now a person can buy a bond that will mature in 10 years for $100. Average interest rate over the period is said to be about 2.9%, considerably higher than prevailing on other U. S. government bonds of similar maturity.

• • •

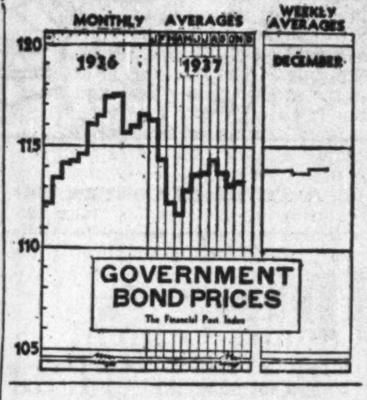
Bond Index

No very definite trend can be seen in price movements of the more speculative corporation bonds in the past week, although the better investment issues continued the firm prices prevailing for some time. Following last week's rise of two points Beauharnois 5's gained another 2½ points to around 65½. International Hydro 6's is another issue which is still benefitting from the new Hydro power contracts with a gain of about four points to 72½.

Movement of high-grade Canadian government bonds is shown by the figures which follow.

Average Price and Yield for Seven High-Grade Government Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Dec. 21	114.23	3.178	Dec. 22	116.71	3.037
Dec. 20	114.24	3.177	Dec. 21	116.71	3.037
Dec. 18	114.19	3.183	Dec. 19	116.73	3.037
Dec. 17	114.05	3.199	Dec. 18	116.87	3.030
Dec. 16	114.01	3.204	Dec. 17	116.87	3.030
Dec. 15	113.89	3.220	Dec. 16	116.83	3.030
Year's	116.32	3.206	Year's	117.91	2.966
Range	111.60	3.505	Range	111.50	3.597



Improved Debt Position Reported by North Bay

North Bay, Ont., reports a general improvement in its financial position this year. Tax collections for the current roll to Nov. 30 were 75.35% of this year's levy, compared with 76% for the full 1936 year. Arrears collections were 33% to Nov. 30 this year, against 25.9% for the same 11 months of 1936. Gross debenture debt at the end of 1937 will be $2,240,405, a reduction from $2,428,272 a year ago. Bank loans are down from $329,448 as at Dec. 31, 1936, to $206,088 as at Nov. 30, 1937. Despite anticipated borrowings in December, loans at the end of the year will be considerably lower than last year.

Brandon Default Situation Studied

Settlement Likely to be Based on Ability to Pay

Representatives of Brandon, Man., bondholders have been making a detailed study of the financial position of the city, and it is considered probable that they will insist that any adjustment of debt should be based entirely upon ability to pay. The city went into default on March 1 this year.

It is not known to what extent their proposals will agree with those of Hon. E. A. McPherson, former supervisor of Brandon, who has submitted recommendations to the Manitoba Government. Mr. McPherson's proposals included reorganization of the sinking fund, resumption of interest payments after effecting an exchange of present debentures for new 3% bonds, and conversion of $250,000 of the $330,000 bank overdraft into 3% bonds.

An article appearing in last week's Financial Post erroneously mentioned Winnipeg, instead of Brandon, in connection with these proposals. Winnipeg is not in default on debenture payments.

Quebec Calls Tax-free Bond

From Our Own Correspondent

MONTREAL.—Province of Quebec will redeem on March 15 next, $5 millions 5% 20-year debentures, due March 15, 1943.

No official word is available as to whether or not the province will bring out a refunding issue to cover this transaction. As the amount involved is small, indications are that the necessary funds may be secured through treasury notes, or paid out of cash reserve.

The issue to be retired was one of two which was free from succession duties. It also contained an anticipation clause permitting redemption next March. Through the province's sinking fund, half the debentures have been already bought back by the treasury and there remains another $2,500,000 in the hands of the public. By redeeming the remaining bonds now, the province will realize a big saving by ridding itself of the burden of paying 5% interest up to 1943.

Company Reports

Beatty Bros. Ltd.

Net profits of Beatty Bros. Ltd. available for the A and B common shares were $1.61 in the year ended Aug. 31, 1937, compared with 42 cents in the previous year. On the first preferred $33.11 was earned, compared with $16.61, and on the second preferred, $40.49, compared with $16.51.

Sales during the year were 23% higher, both domestic and foreign operations showing improvement. Working capital increased by $163,387, increases of $576,756 in inventories and $401,874 in receivables being offset by a rise of $658,760 in bank loans.

Comparative profit and loss figures follow:

Income and Surplus Account
Years Ended Aug. 31

	1937 $	1936 $
Net oper. profit	533,737	319,498
Less: Management, salaries & fees	54,802	54,688
Net earnings	478,935	264,810
Less: Prov. for taxes	73,104	37,611
Depreciation	74,701	60,898
Mortgage int.	......	236
Net profit	331,130	166,065
Less: 1st pref. divds.	60,000	60,000
2nd pref. divds.	47,572	47,572
Surplus for year	223,558	58,493
Add: Prev. surplus	1,814,093	1,742,229
Adjust. life ins.	4,058	2,160
Profits on disposals	808	890
Adjust. deprec. res.	......	15,481
Less: Adjust. inc. tax	......	5,160
Surplus forward	2,042,517	1,814,093
Working Capital		
Current assets	7,467,789	6,470,683
Current liabilities	3,188,381	2,354,662
Working capital	4,279,408	4,116,021

International Paints

From Our Own Correspondent

MONTREAL. — International Paints (Canada) consolidated financial statement for the year ended Sept. 30, 1937, shows an increase of both gross and net income as compared with the preceding 12 months.

In accordance with the terms of the compromise between the company and the shareholders approved in March, 1936, a regular dividend was paid on preferred with an additional dividend of 1¼% on account of arrears.

General improvement in the liquid position of the company is largely reflected in an advance in cash on hand from $61,316 to $100,385.

During the year the company redeemed $9,733 of first mortgage bonds. In addition provision has been made for the redemption of further bonds amounting to $29,200 so that the amount outstanding at Sept. 30, 1938, will be $107,066. At the close of Sept., 1936, the funded debt outstanding totalled $146,000.

Particulars of the income and surplus account follow:

Income and Surplus Account
Years Ended Sept. 30

	1937 $	1936 $
Gross revenue	182,423	139,709
Less: Bond interest	8,448	8,716
Directors' fees	2,533	2,400
Exec. salaries	23,957	18,845
Legal fees	752	3,754
Depreciation	34,611	34,192
Income tax	20,619	14,056
General reserve	11,212	7,180
Bond amort.	27,790	8,566
Net profit	52,500	42,000
Less: Pfd. divds.	41,991	31,500
Surplus	10,509	10,500
Previous surplus	55,515	48,255
Less: Org. expense	500	3,240
Tax adjustment	330	......
Surplus forward	65,164	55,515

Working Capital

	1937 $	1936 $
Current assets	657,983	557,109
Current liabilities	96,044	68,408
Working capital	561,939	488,701

Orange Crush Ltd.

Net profits of $1.23 per share available for the preferred is reported by Orange Crush Ltd. for the year ended Oct. 31, 1937, compared with 33 cents in the previous period. Operating profit increased $31,640, and surplus, after payment of a full year's dividend of 70 cents per share, was $15,995 higher.

E. P. Taylor, president, states that sales for the second year in succession were 20% higher than those of the previous year.

Comparative profit and loss figures follow:

Income and Surplus Account
Years Ended Oct. 31

	1937 $	1936 $
Operating profit	69,634	37,994
Add: Int., disc., etc.	742	795
Total net earnings	70,376	38,789
Less: Int. & exchange	763	704
Depreciation	21,278	20,400
Prov. for doubt. acts.	1,409	1,544
Income tax	9,929	6,043
Net profits	36,994	10,098
Less: Pref. divids.	21,000	......
Surplus for year	15,994	10,098
Add: Previous surplus	14,007	*837,303
Surplus from reorg.	......	841,212
Surplus forward	30,002	14,007

*Deficit.

Working Capital

	1937 $	1936 $
Current assets	82,164	61,672
Current liabilities	30,426	24,139
Working capital	51,738	37,533

Loew's London

Earnings equal to 46 cents per share on the preferred, compared with 33 cents in the previous period, were reported in the financial statement presented at the annual meeting in Toronto last week. Comparative figures follow:

Income and Surplus Account
Years Ended

	Aug. 26, 1937 $	Aug. 27, 1936 $
Theatre revenue:		
Ticket sales	136,175	132,902
Sundry	830	324
	137,005	133,226
Less: Theatre exps.	25,456	32,178
Salaries and wages	24,432	22,480
Film rentals	47,208	46,023
Net theatre revenue	39,909	32,545
Add: Rent rec.	60	60
Int. & exchange	957	1,140
Total revenue	40,926	33,745
Less: Taxes and insce.	12,706	13,134
Repairs & renew.	1,065	30
Directors' fees	590	726
General	4,299	3,145
Net earnings	22,267	16,710
Less: Depreciation	3,529	3,529
Res. for taxes	3,142	2,076
Net profit	15,597	11,105
Less: Pref. divds	5,905	11,809
Surplus for year	9,692	*704
Add: Prev. surplus	4,838	5,542
Surplus forward	14,530	4,838

*Deficit.

Working Capital

	1937	1936
Current assets	79,115	58,170
Current liabilities	4,604	2,383
Working capital	74,511	55,787

Biltmore Hats Ltd.

Biltmore Hats Ltd., Guelph, reports net profit equivalent to $1.07 per common share for the fiscal year ended Nov. 30, 1937. This is based on 80,000 common shares, the stock having been split four-for-one during the year. On the same basis, net profit of $1.18 per common share was earned in the previous year. Earnings per share on the preferred stock were $53.99 compared with $57.13. The company redeemed 76 preferred shares during the year, leaving 2,019 shares outstanding.

Income and Surplus Account
Years Ended Nov. 30

	1937 $	1936 $
Operating earnings	178,318	191,695
Less: Directors' fees	200	200
Remuner. of officers	26,400	26,400
Legal fees & exp.	624	550
Depreciation	21,981	20,614
Dom. and prov. tax prov.	20,107	24,244
Net profit	109,006	119,687
Less appropriations:		
Pref. dividends	14,196	14,665
Prov. for redemp. of pfd. shs.	9,245	10,337
Common dividends	50,000	45,000
Surplus for period	35,565	49,685
Add: Prev. earned surp.	188,110	140,080
Less: Inc. tax prior yr.	2,362	1,655
	221,313	188,110

Working Capital

	1937 $	1936 $
Current assets	486,412	436,780
Current liabilities	43,206	44,768
Working capital	443,206	392,012
Ratio	11.26—1	9.76—1

Crisis Nears For Winnipeg As Year Ends

Relief Sources Shut Off—Basic Conditions Blamed

CURES SUGGESTED

Commencing Jan. 1, 1938, Winnipeg will have no way of meeting the city's share of relief costs, unless some arrangement can be made with the Manitoba Government.

It is understood, however, that Premier Bracken is prepared to consider any proposals which may be presented. Speaking in the legislature recently, he outlined four choices which might be discussed by the House as follows:

1. The Provincial Government could continue to pay half of the city's 40% of relief costs. (This does not include consideration of the 20% now being supplied by the bank, which is scheduled to be cut off at the end of the year.)
2. The city could be allowed to divert future sinking fund payments to relief. (Use of part of the present fund for this purpose has also been mooted elsewhere.)
3. The city could be given enlarged powers of taxation.
4. The legislature could choose to do nothing, and leave the city to solve its problem alone.

When interviewed by a Winnipeg delegation, Mr. Bracken is reported to have said that the Provincial Government would definitely not impose new taxes to help the city. City representatives in turn insisted that the sinking fund remain inviolate and they stated it was impossible for the city to levy any additional taxes.

Conciliation Board Report

The situation is further complicated by the request of civic employees for restoration of wage cuts. Employees are organized into unions, and this unionization suggests the possibility of concerted action if demands are not met. Such being the case, the report of the Dysart conciliation board, recommending partial restoration of wage cuts has aroused considerable interest.

Borrowing Sources Dry Up

The present situation has been developing for some time. Revenue has not kept pace with increased expenditures, so that Winnipeg cannot balance its budget this year, quite apart from relief costs.

The city has been forced to borrow most of its relief money in the past six years. In 1931 it borrowed $600,000 and paid $305,000 out of taxes. In 1932 it borrowed $845,000 and paid $301,000 out of current revenue. Since then, all relief money has been borrowed.

The Dominion Government stopped advancing money for relief after paying $2.4 millions The city raised $2.9 millions by the sale of debentures, but it has been found impossible to market additional bonds.

More recently, the city's share of relief, comprising 40% of direct relief costs plus the cost of administration and medical and dental services, has been met entirely by bank loans. Since July 1, however, the bank has limited its lending to 20%, and has served notice that no further loans will be granted after the end of the year. By that time, it is estimated, the city and the school board will have an overdraft of $10 millions, of which relief accounts for around $4 millions.

Since July 1, the other 20% of the city's share of relief has come as a special temporary grant from the Provincial Government. The Federal Government refused to increase its grants-in-aid to the province for this purpose, but has instead advanced the money to Manitoba as a loan.

Remedy Only Temporary

Whatever solution may be agreed upon by the province and the city, it is felt in many quarters that the remedy will be only a temporary one. The problem, in the opinion of Travers Sweatman, K.C., expressed in a minority report of the Dysart board, is deep seated, going back to a maldistribution of tax levies, which has stifled new building.

Mr. Sweatman points out that over 90% of the city's $9.5 millions revenue is derived from taxes on real estate. Assessable property declined from over $237 millions in 1931 to around $193 millions in 1937, due to tax appeals; and court decisions showed that assessment values were very much above actual market values.

A turnover tax or a sales tax is suggested as a means of relieving this burden on real estate. Whichever tax is selected, it should be a provincial tax, in Mr. Sweatman's opinion, so that business in Winnipeg will not be diverted elsewhere.

To encourage the investment of outside capital in Winnipeg, Mr. Sweatman recommends that moratoria should be abolished, the Debt Adjustment Board be removed, and income and succession duties be reduced, in so far as they apply to non-residents of Manitoba.

Submission to Rowell Commission

Speaking before the Rowell Commission, Jules Preudhomme, Winnipeg city solicitor, suggested a number of remedies for the present situation. These included proposals that the city be relieved of all relief costs, including accumulated relief debts and old age pension contributions; that the city be given substantial grants toward the cost of education and police, as is done in Great Britain; that the city be given power to collect taxes on provincial commercial undertakings; that the city be given part of the gasoline and automobile license taxes collected by the province; and that the city receive a substantial part of the revenue collected by the province from the railways.

The city has between $12 and $15 millions of bonds falling due in the next two or three years, Mr. Preudhomme stated. There are about $7 millions of saleable Dominion and other bonds in the sinking fund out of a total of $32 millions.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp ...	*6%	1942	Dec. 31	105
Mississippi R. Pr.	‡5%	1951	Jan. 1	105

For sinking fund purposes: ‡$154,400. *$59,000.

Honey Dew Has Better Earnings

Net Equivalent to $1.76 on Class A But Dividends Still Unlikely

A 6.5% increase in sales is reported by Honey Dew, Ltd., for the year ended Oct. 31, 1937, as compared with the preceding period. Largely as a result of the higher volume, a net profit of $26,334 is shown against a deficit of $2,274 in the 1936 year. The 1937 profit is the best showing made by the company since 1931.

The 1937 net is equivalent to $1.76 a share on the class A preferred. This stock carries a cumulative dividend of $7 a share annually and arrears total $40.25 a share at Oct. 31.

Strengthening of the company's liquid position is now making possible improvement in the restaurants and shops. Regarding the burden of high rentals, E. P. Taylor, president, remarks that some of the 1928 and 1929 leases have been renegotiated during the past year on a more equitable basis. All of the unsatisfactory leases terminate within the next two years and by 1940 full benefit of reduced rentals will be felt.

Efforts toward simplification of the company's capital structure have so far been unsuccessful. This has made it impossible to attract new capital to the company which could be used to good advantage. Rebuilding of the earning power will, therefore, be slower and directors consider it necessary to reinvest all profits for several years to come.

Income and Surplus Account.
Years Ended Oct. 31

	1937 $	1936 $
Sales	1,129,613	1,060,293
Less: Cost of sales	1,039,793	1,012,509
Operating profit	89,820	47,784
Add: Misc. income	3,976	4,098
Net earnings	93,796	51,882
Less: Depreciation	53,550	45,457
Int. on U. S. rights	7,512	7,735
Taxes	6,400	964
Net profit	26,334	*2,274
Add: Prev. surplus	121,796	143,732
Less: Adjustments	4,534	19,662
Surplus forward	143,596	121,797

Working Capital

	1937 $	1936 $
Current assets	64,944	45,439
Current liabilities	70,219	90,515
Excess of current liabs. over current assets	5,275	45,077

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Setback Faced By Brown Co.

Trouble Over Japan Pulp Contract — Plan May Wait Till Spring

From Our Own Correspondent

MONTREAL.—Brown Co.'s affairs become more involved as a result of restricted trading with Japan and the inability of the various protective committees to come to a common agreement on reorganization.

Pulp exports to Japan have been suspended, as a result of an embargo by the Japanese Government. One report is that this is only a temporary measure, but even when the embargo is lifted, there still remains the problem of financing the imports.

Cut Down Operations

It will be recalled that not long ago the company secured a major contract from Japan for pulp production. As a result of the embargo, the Berlin, N. H. mills have curtailed operations by about 50%. According to one report operations at the Quebec plant at LaTuque have dropped to about two-thirds of capacity, while from another quarter it is reported that the plant has been closed down for a period of 10 days.

The Port Royal Pulp and Paper Co., of Fairville, N.B., to which Brown Corp. sublet a part of this contract, continues to work on a full-time basis.

Indications are that the reorganization will not be effected until toward the end of February or March. Part of the scheme involves the raising of about $12 millions of additional capital and in view of the unsettled security markets, it is considered unlikely that the underwriters would want to take the risk at this time.

Kelvinator Calls Preferred Stock

Loan from U. S. Company to Redeem Outstanding Canadian Issue

Kelvinator of Canada Ltd. is redeeming its entire issue of 7% preferred on Feb. 15, 1938. There are 4,960 shares outstanding, with par value of $100, redeemable at 105 plus the quarterly dividend of $1.75 which will have accrued on that date.

Redemption funds, which would require $520,800, have been provided by a deferred loan at 5% from Nash-Kelvinator Corp., the parent company. Interest on a loan of this amount would be $26,040. As dividend requirements on the preferred are $34,720 a year, the company will save $8,680 annually, equivalent to 8.6 cents per share of common stock.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Liverpool, N.S.	Dec.	Cornell, Macgillivray	3-4%	1938-67	$65,000	99.09	....
Amherst, N.S.	Dec.	W. C. Pitfield & Co.	4%	18 & 20 ser.	71,000	99.01	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
La Corp. du Village de Grenville	Dec.	Credit, Anglo-Francais	4%	1938-53	$52,600	100	....

THE ROYAL BANK OF CANADA

General Statement, 30th November, 1937

LIABILITIES

Capital stock paid up		$ 35,000,000.00
Reserve fund	$ 20,000,000.00	
Balance of profits carried forward as per Profit and Loss Account	2,325,176.14	
	$ 22,325,176.14	
Dividends unclaimed	15,378.87	
Dividend No. 201 (at 8% per annum), payable 1st December, 1937	700,000.00	23,040,555.01
		$ 58,040,555.01
Deposits by and balances due to Dominion Government	$ 6,637,546.08	
Deposits by and balances due to Provincial Governments	10,191,871.80	
Deposits by the public not bearing interest	305,179,751.97	
Deposits by the public bearing interest, including interest accrued to date of statement	420,402,615.88	
Deposits by and balances due to other chartered banks in Canada	1,082,825.11	
Deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries	12,595,085.73	756,089,696.57
Notes of the bank in circulation		28,644,831.14
Bills payable		414,706.70
Acceptances and letters of credit outstanding		26,085,369.87
Liabilities to the public not included under the foregoing heads		292,953.48
		$869,538,112.77

ASSETS

Gold held in Canada	$ 12,280.65	
Subsidiary coin held in Canada	1,280,131.09	
Gold held elsewhere	323,188.46	
Subsidiary coin held elsewhere	2,277,708.65	
Notes of Bank of Canada	10,528,282.75	
Deposits with Bank of Canada	58,548,733.36	
Notes of other chartered banks	1,407,889.39	
Government and bank notes other than Canadian	19,032,282.58	$ 93,410,196.93
Cheques on other banks	$ 28,076,674.22	
Deposits with and balances due by other chartered banks in Canada	2,669.35	
Due by banks and banking correspondents elsewhere than in Canada	47,149,387.68	75,228,731.25
Dominion and Provincial Government direct and guaranteed securities maturing within two years, not exceeding market value		95,745,198.13
Other Dominion and Provincial Government direct and guaranteed securities, not exceeding market value		149,861,176.76
Canadian municipal securities, not exceeding market value		9,127,673.87
Public securities other than Canadian, not exceeding market value		25,927,482.06
Other bonds, debentures and stocks, not exceeding market value		35,907,386.75
Call and short (not exceeding 30 days) loans in Canada on bonds, debentures, stocks and other securities of a sufficient marketable value to cover		19,392,906.77
Call and short (not exceeding 30 days) loans elsewhere than in Canada on bonds, debentures, stocks and other securities of a sufficient marketable value to cover		10,070,583.59
		$514,671,335.81
Current loans and discounts in Canada, not otherwise included, estimated loss provided for	$185,406,955.62	
Loans to Provincial Governments	4,590,097.99	
Loans to cities, towns, municipalities and school districts	10,566,673.62	
Current loans and discounts elsewhere than in Canada, not otherwise included, estimated loss provided for	101,147,198.10	
Non-Current loans, estimated loss provided for	2,986,428.63	304,697,353.96
Bank premises, at not more than cost, less amounts written off		14,996,187.31
Real estate other than bank premises		2,581,015.64
Mortgages on real estate sold by the bank		786,834.19
Liabilities of customers under acceptances and letters of credit as per contra		26,085,369.87
Shares of and loans to controlled companies		3,808,482.30
Deposit with the Minister of Finance for the security of note circulation		1,550,000.00
Other assets not included under the foregoing heads		393,533.69
		$869,538,112.77

NOTE:—The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris, and the assets and liabilities of The Royal Bank of Canada (France) are included in the above General Statement.

M. W. WILSON,
President and Managing Director.

S. G. DOBSON,
General Manager.

AUDITORS' REPORT

TO THE SHAREHOLDERS, THE ROYAL BANK OF CANADA:

We have examined the above Statement of Liabilities and Assets as at 30th November, 1937, with the books and accounts of The Royal Bank of Canada at Head Office and with the certified returns from the branches. We have checked the cash and the securities representing the Bank's investments held at the Head Office at the close of the fiscal year, and at various dates during the year have also checked the cash and investment securities at several of the important branches.

We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank. The above statement is in our opinion properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1937, and it is as shown by the books of the Bank.

W. GARTH THOMSON, C.A., of Peat, Marwick, Mitchell & Company
M. OGDEN HASKELL, C.A., of Haskell, Elderkin & Company
Auditors.

Montreal, Canada, December 22, 1937.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 30th November, 1936	$ 1,913,796.49	
Profits for the year ended 30th November, 1937, after providing for Dominion and Provincial Government taxes amounting to $947,839.26 and after making appropriations to Contingency Reserves, out of which Reserves provision for all bad and doubtful debts has been made	3,711,379.65	$ 5,625,176.14
APPROPRIATED AS FOLLOWS:		
Dividend No. 198 at 8% per annum	$ 700,000.00	
Dividend No. 199 at 8% per annum	700,000.00	
Dividend No. 200 at 8% per annum	700,000.00	
Dividend No. 201 at 8% per annum	700,000.00	
	$ 2,800,000.00	
Contribution to the Pension Fund Society	300,000.00	
Appropriation for Bank Premises	200,000.00	
Balance of Profit and Loss carried forward	2,325,176.14	$ 5,625,176.14

M. W. WILSON,
President and Managing Director.

S. G. DOBSON,
General Manager.

Montreal, December 22, 1937.

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of All Canadian Financial Papers

Editor—Floyd S. Chalmers
Business Manager—D. M. Gowdy

The Financial Post Business Year Book and Market Survey Yearly, $2.
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The Financial Post Survey of Mines, Yearly, $2.
Directory of Canadian Directors and Officials, $10.
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The Financial Post Corporation Service, $20 monthly. Special prices for individually selected investor's service.

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MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.

GREAT BRITAIN, London—Resident representative, J. K. Ross-Duggan, Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, DECEMBER 25, 1937

The Financial Post's Platform for Canada

Balanced budgets.
A modernized constitution.
Extension of Empire trade.
Integrity in meeting public obligations.

Merry Christmas

CHRISTMAS, it is said, has become commercialized. The Midas touch of big business is reputedly turning an age-long tradition of peace and goodwill into a colossal merchandising extravaganza.

Admittedly sales curves and sentiment are being jumbled together at a rapidly accelerating pace. But are there any more Scrooges today than there were fifty, a hundred or five hundred years ago?

Tiny Tim says there are not. We agree with him.

On his behalf and on our own:

MERRY CHRISTMAS.

Provincial Subsidies

MANITOBA is to be commended for recommending adoption of Prof. James A. Maxwell's proposal that unconditional subsidies should be abolished through assumption by the Dominion of a portion of the provincial debt equal to the amount of the subsidies capitalized at 3¼%. From those familiar with the history of unconditional subsidies the Manitoba proposal will receive much greater support than the Saskatchewan recommendation that unconditional subsidies should be increased.

The history of unconditional subsidies is not one of which this country can be proud. Time after time unconditional subsidies to the provinces have been altered and very often the basis for adjustment have been political. If the Manitoba proposal is adopted very definite restrictions should be included in the B. N. A. Act making the settlement final.

The abolition of unconditional subsidies is not the only merit of the proposal. It will result in much needed assistance to many provinces since it will result in a reduction in debt charges. At the same time the cost to the Dominion will be about the same as previously.

If subsidies are to be granted to the provinces then they should be on a conditional basis. Manitoba recognizes this in its proposals. It is a sound principle that every government should raise the money which it spends. Thus, if the Dominion is to make grants to the provinces for certain expenditures then it should have some control over same. Very definite restrictions as to how it is to be spent and for what purpose it is to be used should be attached to any grants from the Dominion to the provinces.

Centralized Relief Figures

ADVICE from Ottawa indicates that the days of the National Employment Commission are numbered. That body is now preparing its final report which it hopes will bring to a head the various plans and projects it has undertaken or sponsored. If its recommendations are accepted by the government some type of permanent advisory body on employment will probably be suggested to carry on. Eventually such a group might become the nucleus of a federal unemployment insurance project, if, as and when it materializes.

One important change that should be made with the liquidation of the N.E.C. is the centralization of Canada's relief statistics under the Dominion Bureau of Statistics. At present these figures are being compiled and published by the Department of Labor, by the National Employment Commission and by the Department of Agriculture. This latter body came into the picture only a month or two ago in respect of drought relief figures.

There will doubtless be pressure from each of these bodies to retain publication of these figures in their statistical departments. But to insure uniformity and the maximum usefulness these figures should henceforth be turned over to the D.B.S. so that they may be compiled and published in the same manner as other basic material on employment and business conditions in Canada.

Canada's Stake in World Peace

FEAR of war in Europe has cost Canadian food producers millions of dollars in lost export markets during the last fifteen years.

Previous to the present "self-sufficiency" campaigns by the great powers across the Atlantic, campaigns dictated almost entirely by the threat of war with its blockades, we exported huge quantities of wheat, flour, bacon and other food products to Great Britain and western continental Europe. There was practically a wide open world market for such commodities and a big wheat crop here was a signal for renewed national prosperity, not for market worries.

We are still exporting considerable quantities but total annual volume is down sharply from the old days. Germany, France, Italy and more lately the British Isles have made big strides in increasing wheat, meat and dairy production. Wheat acreage gains alone have amounted to 50 per cent in some of these countries, although the cost has been out of all proportion to average world market values.

But a country which may suddenly find all sources of foreign foods cut off with the outbreak of war, probably considers a peace time bonus of even a dollar a bushel to keep the home industry on its feet a fairly cheap form of insurance. The practice is on a par with scattering potential munition factories hundreds of miles within the interior. Production costs of heavy industry under such circumstances rise abnormally because of the distance from natural raw materials, but factories so located are less liable to destruction by hostile aircraft.

To Canadian farmers peacefully planning next year's crops and to workers in the big packing, canning and flour establishments of this country, headlines based on international tension in distant Europe really mean a continuance of heavy export losses.

Bison Must Be Shot

ALL ACROSS the world this month the story of the annual thinning out of Canada's buffalo herd is being told. Even the London Times devoted a feature editorial to the story a few weeks ago. Newspaper advertisements are extolling the virtues of this "sweet, tender, tasty Christmas treat."

Reason for this publicity is that the Government herd at Buffalo National Park, Wainwright, Alberta, now boasts a handsome annual surplus that must be thinned by slaughter. This year about 2,000 animals met this fate, their meat being sold as a delicacy in many parts of the continent. Their hides are being transformed into winter coats, motor robes, floor rugs, etc.

The herd was started in 1907 with a purchase of 716 pure-bred bison from the United States. Every year now a number are slaughtered or removed to Wood Buffalo Park, N.W.T., so that the grazing grounds at Wainwright shall not be too heavily taxed.

For what it is worth we venture the suggestion that Canada's National Park authorities consider issuing special licenses to big game hunters to slaughter these 2,000 buffalo rather than have the job done by a Government inspector. If such a plan is feasible it would make the Wainwright Park a world mecca for hunters and sportsmen.

A Wise Benefaction

THE $10,000,000 fund which Alfred P. Sloan, Jr., president of General Motors Corp. has donated to economic studies is noteworthy in one very important respect.

In making this gift, Mr. Sloan has specified that the money be devoted to:

> "The increase and diffusion of economic knowledge by such useful agencies as already exist."

Too often when institutions or individuals want a job done they set up a special agency to look after it. Rather than use existing channels or services they set up parallel groups which often overlap and duplicate work already being done. There are many excellent channels now available for the "diffusion of economic knowledge" and Mr. Sloan is wise to place his gift at the disposal of these groups, rather than to establish a parallel or competing organization.

A case in point is the publishing business which, in many respects, is one of the most important agencies for "the increase and diffusion of economic knowledge" and might well qualify for some of the Sloan money. This continent is now ably served by scores of business and national periodicals which over a period of years have built up a very valuable reader connection. Yet corporations and associations are constantly starting new house organs or bulletins instead of making use of the "useful agencies" which already exist. In many cases these perpetuate themselves merely because of the vested interest that has been developed.

Lord Nuffield's gifts in England and the Sloan fund in the United States are forerunners of a new source of benefaction which will appear as the great automobile industry passes into the "second generation" stage. The wise principle by which the Sloan money is to be spent is in line with the type of leadership which has characterized this industry since its inception less than a third of a century ago.

Labor's Share

WITH labor very much on the defensive regarding unreasonably high wage rates, John L. Lewis recently contributed an article to the New York Annalist in which he attempted to refute the common assumption that increased wages result in a corresponding increase in prices. In the course of his article he says:

> "As a matter of fact prices do not have any necessarily direct relation to cost of production or wages."

As we might have suspected, it has not taken long for R. J. Deachman, M.P., to accept the Lewis challenge. In an article entitled, "Wages, Prosperity and Mr. Lewis," this doughty counsel for the consumer shows clearly the fallacy of the Lewis argument as it applies to the present situation wherein the wage increase was not a natural one and arose out of the demands of organized labor rather than from a genuine increase in buying power. The process is described as follows:

> "Wages, in the present boom—if it may be so described—have risen ahead of prices. They have been the cause of the price increase. Purchasing power failed to follow—hence the slump. The reason lies in the fact that the wage increase was not a natural one. It grew out of the activities of organized labor rather than from a genuine increase of demand. It was accompanied also by marked uncertainty and instability—labor refused to settle down.
>
> "Manufacturers reached the stage where they did not know what might happen tomorrow. Capital expansion ceased, capital was afraid. An artificial wage increase is a restriction upon the return of prosperity just as dangerous as dear money or restriction of credit. Real wages in this condition tend to fall, if they are kept up unemployment grows. That is precisely what is now happening in the United States."

The lesson John L. Lewis and other laborites need to learn is that the greatest contribution they can make to labor would be to establish the idea that labor moves on a broad front; that "the farmer of Nebraska and Saskatchewan are as important to the welfare of the nation as the builders of motor cars" and that the entrepreneur and even the capitalist and the financier have their rights and their services to perform.

Over a considerable period of years labor has never varied for long its share of the production dollar which in good and bad times averages something around 65%. For labor to make and obtain unreasonable demands as has been the case in recent months is to sow the seeds of its own defeat.

Editorials in Brief

Herman Goering's official biographer says the Nazi colonel-general has the following virtues: "Chivalry, Jew-baiting and tenderness."

No doubt the Jew-baiting gives him a chance to display his chivalry and tenderness.

• • •

London Times in its Trade and Engineering Magazine says, in discussing the forthcoming U. S.-U. K. pact: "There is no reason to suppose that the principle of Empire preference will be disturbed."

But there will be unrest and uncertainty on the part of Canadian producers who enjoy this preference until something definite is announced.

• • •

To the Rome-Berlin axis now add the "Quebec-Ontario axis." So quickly have the headline writers borrowed a phrase from European politics to describe the new "bonne entente" between Canada's two chief pocket dictators.

But what is an axis? The dictionary speaks of it as an imaginary line about which something may or may not rotate. That throws little light upon the matter.

There is another definition. Axis is a word used to describe the species "cervus axis" known more familiarly as the "hog-deer." This starts a train of thought which probably will be pursued by citizens of the other eight provinces.

• • • •

There must be plenty of kick left in western Canada to produce the 120-page Winnipeg Tribune supplement on "Canadian Pacific in the West." It is the largest newspaper we have ever seen in Canada and tells us almost everything we think we might want to know about the C. P. R.—except, of course, what is going to happen to it in the next 10 years.

The Tribune has done a monumental job both editorially and from a box-office viewpoint. As we tried to lift it off our desk with one hand (it weighs 2 pounds) we could not help thinking how much more it would have cost after January 1 with newsprint at $50 a ton.

• • •

Sayings of the Week

"The east should take their hands out of our pockets."—*Premier Aberhart.*

• • •

"Far from having been a burden of any kind on Canada we have been the most luscious milch cow for the good old provinces of Ontario and Quebec."—*Premier Pattullo.*

• • •

"We naturally disapprove anything in the nature of an attempt to create sectional antagonism."—*Premier Thane A. Campbell, Prince Edward Island.*

• • •

"Premier Duplessis is not speaking for New Brunswick. Such an alliance as he is reported to have indicated against the West is not in contemplation or under consideration."—*Premier A. A. Dysart, New Brunswick.*

• • •

"Ontario and Quebec will work together on problems of mutual interest. There will be no 'ganging-up' on the Dominion. Ontario and Quebec are only discussing mutual policies."—*Premier Mitchell F. Hepburn.*

• • •

"We, in Quebec and in Ontario and in the Maritime Provinces are not going into any scheme which would mean sacrificing the key to the door of prosperity. We are in the way of concluding an alliance by which we are not going to be run by Ottawa." — *Premier Maurice Duplessis.*

• • •

"To Canada I owe two of my greatest treasures; my husband and my friends."—*Mrs. Herbert A. Bruce.*

• • •

"I question the validity of the Federal legislation barring export of electric power."—*Premier Mitchell F. Hepburn.*

• • •

"Mr. Gardiner will continue to look after agriculture and Mr. Euler will continue to look after trade."—*Prime Minister Mackenzie King.*

• • •

"What is needed is not a Rowell Commission, peripatetic, endless, verbose — but a conference or gathering of sensible men, like the one at Philadelphia in 1787 to settle it at a stroke."—*Stephen Leacack.*

• • •

"In British Countries, one great factor only, prevents the power of governments passing from the citizens and into the hands of a dictator. That is, continued, responsible, sane, progressive use of the vote by the people as a whole."—*Hon. Charles A. Dunning.*

• • •

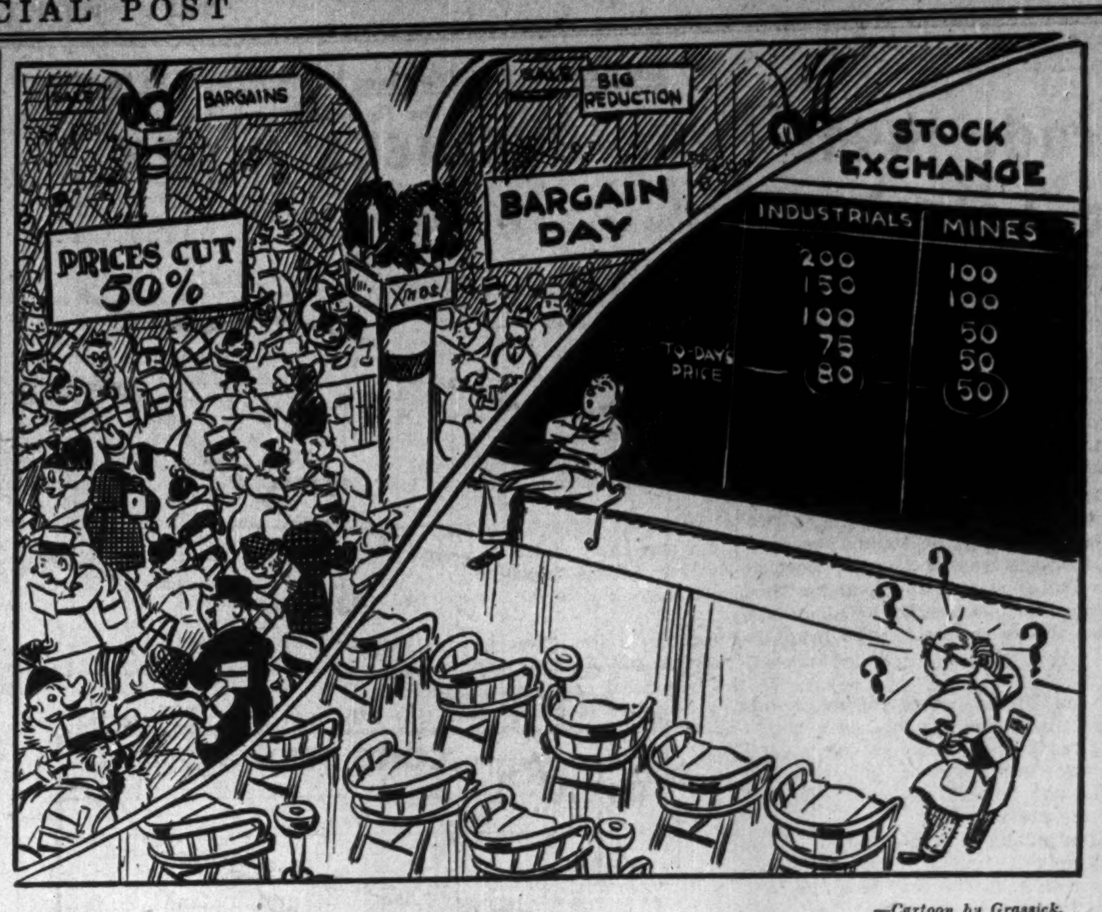
"The material rewards of public life are scanty. The real rewards are the consciousness of work well and faithfully done and the good-will, should one be so fortunate as to win it, of the public whom he has been privileged to serve." —*Sir Thomas White.*

• • •

"I have dreamed of no castles in Spain, nor did I covet a mansion in Toronto, but I had seen the homes of the poor. I thought of sickness and destitution, and want and of many other things. Here was an opportunity to serve Canada and the Empire."—*Dr. Herbert A. Bruce, former Lieutenant-Governor of Ontario.*

• • •

"To establish one big industrial union in this country would mean a stratification of our economic life. It would make for regimentation, for a rigidity which will bring on more rigidity. This would limit the opportunity for a man to get ahead in the world—to get a better income and improve the living standards of his family. When that comes we will have a whole negation of the great advances which have marked American industry and which have made a merit of the leading industrial nation of the world."—*Tom M. Girdler, chairman, Republic Steel Corp.*



—*Cartoon by Grassick.*

A STUDY IN CONTRASTS

Post-Scripts . . . .

Maurice Duplessis

Outside the prime minister's private office in the Quebec Parliament Buildings is a small ante-room for visitors. When the premier is "in residence" it is crowded with callers; in fact, the visitors are so numerous that they usually overflow into the corridor outside, where two or three policemen are on hand to keep them in order. They represent as good a cross-section of Quebec citizenship as will be found anywhere; habitants, miners, lumber-jacks, businessmen, salesmen, municipal officials.

PREMIER DUPLESSIS

The inner office is outfitted with antiquated furniture and decorated in a style reminiscent of Victorian England. In it and seemingly oblivious to the "mob" in the waiting room is the man who has undertaken to see that Quebec's economic heritage is exploited for Quebeckers—Premier Maurice Duplessis.

Without question he is the most surprising premier that Quebec has ever had. He does not fit into any known pattern. He is very much an individual. A smart dresser, he is, despite his short stature, the best-looking of all the Canadian premiers. Decisive in speech and tending to be impatient with others who do not think as fast or along the same lines as he does, he has shaken the Ancient Province out of its lethargy.

• • •

Duplessis runs the Quebec Government. True, he has a Cabinet of eminent citizens to whom he has delegated certain authority, but so has Mussolini and so has Stalin. The Government is administered by Mr. Duplessis and no one else, as many have found to their sorrow or delight, depending upon which side of the political fence they sit. The callers in the ante-room know this and patiently await their turn to see the man who decides what shall and what shall not be done.

For years Maurice Duplessis was a back-bencher in the Provincial House. One of a mere handful of Conservative members, he sniped away at the administration, waiting his opportunity. As invariably happens, the people demanded a change. Duplessis got his chance. Heading a fusion party at the last election, he was returned by a majority big enough to satisfy the most rapacious politician.

Though only in power a short time, he has contrived to make a number of mistakes create many enemies, find new friends and pass some sound legislation.

• • •

Impetuous Dictator

His greatest weakness is impetuosity.

He has railroaded legislation through the House without giving it sufficient consideration.

He fathered the now famous, or infamous, "Padlock Bill" at the request, so his enemies state, of the Roman Catholic Church authorities in Quebec. He sincerely believes that the Hydra-headed Communist snake has reared its head in Quebec and that he can stamp it out this way.

Mr. Duplessis would scorn the idea that he has taken unto himself dictatorial powers, but the fact remains that he administers the Quebec governmental machine as he thinks it should be done.

He thinks he is surrounded by a group of well-meaning, inefficient ministers and that he has to keep a finger in all departmental pies.

He gives short shrift to his political opponents. Oscar Drouin, a member of his original Cabinet, differed on governmental policies and today he is on the outside looking in.

J. E. Gregoire, mayor of Quebec City, was elected to the Provincial House as a member for Montmagny under the Duplessis banner. Mr. Gregoire had certain ideas as to what should be done about the power situation in Quebec, which did not agree with the views of the premier. The mayor was rather outspoken and the people of Quebec City are now reconciled to the fact that as long as Mr. Gregoire is mayor they need not expect any patronage from the provincial treasury.

• • • •

Generous to Friends

To his friends, and they are legion, Mr. Duplessis is the soul of generosity. Anything they want is theirs for the asking, and since Mr. Duplessis has been in power there has been a lot of asking.

When the Government changed, Mr. Taschereau's friends moved out and Mr. Duplessis's friends moved in. Many of the Provincial Government employees at Quebec City are still trying to find their way about the Government Buildings. Even the elevator men have trouble remembering who's who.

Mr. Duplessis is a public figure who loves the limelight. His prepared speeches are full of meat; his extemporaneous speeches full of dynamite. He is a master of the epigram and no speech of his is complete without one or more. He goes to the point. He is probably at his best in a small gathering when he opens up and tells what he thinks the Federal Government should do about relief costs and taxation, without treading on the toes of provincial autonomy.

To the "old families" of Quebec and many English-speaking businessmen Duplessis is somewhat of an enigma. Accustomed to government in the traditional manner, they find it difficult to understand this man who is an outgrowth of the times. The younger element, and the habitant who has had to bear more than his share of the depression load, see him a leader whom they hope will bring back to the Quebecker a greater share of the Canadian common weal.

• • •

Dunning as Orator

The Minister of Finance has been giving a few public addresses recently—four of them within two weeks in fact.

HON. C. A. DUNNING

In the course of one of them, Mr. Dunning remarked that the minister in charge of the The Department of Finance does not get as much opportunity as some other ministers to practice up his oratory. In fact of ministers of finance it might be remarked "the less said, the better."

In his speeches, Mr. Dunning did not attempt to take the public into his confidence about the tariff, taxation, the state of the public finances of Canada, the trade negotiations with Britain and the United States, unemployment measures, monetary policy or any others of the particular subjects he is dealing with at his desk every day.

Rather, for the subject matter of his recent addresses Mr. Dunning has moved to higher planes. Before the life insurance presidents in New York he discussed the threat to democracy presented by the dictatorships. Before the Empire Club in Toronto he talked about the meaning of Empire institutions to Canada. The commercial travellers listened to him discussing the problems of Canadian unity. His fourth address was given to a private club.

• • •

For a man who was (according to his own account) out of practice, Mr. Dunning distinguished himself on each of these four occasions. Each address was a "tour de force," a moving, fluent discourse.

Mr. Dunning's strength as an orator derives from a combination of factors. His language is simple but precise. His delivery is slow and measured, with an effective change of pace that many more brilliant orators might well seek to emulate. He has a resonant voice; his words are not whispered; the man in the back of the room is never forgotten.

The most effective trick in Mr. Dunning's whole bag of showmanship is one that he has probably never thought of; it is a trick that is not a trick because it is as natural to him as his jutting chin. It is his forceful smile, as broad as "Teddy" Roosevelt's, a smile that is almost a grin, a smile that is a tool. Mr. Dunning always uses it when he wants to hammer a point home.

Some orators thump their chests; others flail their arms; the Kaiser twisted his moustache; Il Duce throws back his head and Der Fuehrer raises his right hand when he wants to drive a point home. Mr. Dunning leans forward, lets his point sink in just so far and then drives it the rest of the way home by breaking into the most ingratiating smile in Canadian public life.

• • •

Mr. Dunning is wrong when he says he gets no chance to practice up his oratory. The truth of the matter is that Mr. Dunning at his desk (or by his own fireside) and Mr. Dunning on the public platform do not vary in anything but decibels. The oratorical Mr. Dunning speaks a little louder but otherwise he speaks the same as the Mr. Dunning of daily life. When he talks to you across his desk he uses the same force and emphasis and change of pace and the same effective smile. They are just part of his natural self. It isn't that he talks to you in the manner that Queen Victoria said Gladstone talked to her, as though she were a public meeting, but rather that he talks to a public meeting the way he talks to you in private life.

In the case of Mr. Dunning it happens to be a most captivating as well as convincing type of public speech.

A Notable Publisher

Saturday Night

It is a pleasure to join in the chorus of congratulations which has been greeting Col. John Bayne Maclean upon the attainment of his 75th birthday and the 50th anniversary of the founding of his publishing firm—the latter an event which coincided closely with the foundation of Saturday Night.

Col. Maclean in a manner of speaking preceded us in entry into the field of national journalism, for while Saturday Night during most of its first two decades was a strictly local publication, the Maclean trade journals were always of national scope. But the influence of a trade journal is naturally somewhat restricted, and it was not until the rise of his more general periodicals, Maclean's Magazine and The Financial Post, that "the Colonel" became a definite and important influence on the mind of Canada.

With the aid of a succession of able editors he has consistently employed that influence for broad national purposes; and it is largely due to his policies, and to his unwavering faith in Canada, that the Canadian national magazine press has developed into such a valuable instrument for unification.

A Man Worthy of Honor

Toronto Globe and Mail

Saturday was a great day for the Macleans. For the MacLean Publishing Co. it marked 50 years of progress toward an outstanding position in the publishing business, and for its founder and President, Colonel John Bayne Maclean, who has completed his 75th year, it was the occasion of many glowing tributes from his 900-strong staff and from many other friends. When in reminiscent mood, and recalling the humble beginning of his business career half a century ago, Colonel Maclean must be a bit astonished by what he has achieved; or, being a Scot, is it just what he expected? Maclean tartan ties, evident everywhere during the celebration ceremonies, were not only individual tribute to the chief, but perhaps outward and visible signs of determination by a staff to achieve success.

Anyway, only wonderful co-operation in a spirit of loyalty, can account for what has been done. And the result of 50 years of combined effort under the Colonel's direction is that the Maclean publications, voicing always the Canadian and Empire outlook, are known all across Canada and far beyond. It surely was heartening to the Colonel that, on this occasion, he was surrounded by all the company's employees and their children, and that Lieutenant-Governor Matthews was present to add his congratulations.

These tributes were to Colonel Maclean the business man, whose success has meant the establishment of a great industry that has provided employment for a host of men and women and has become something of a Toronto institution. But Colonel Maclean the individual also holds a warm place in the hearts of innumerable personal friends. His ability and energy command respect, and his friendship is whole-hearted and enduring. Few men have a keener grasp of Canadian and world affairs. He has travelled extensively, is a close observer, and in many countries has acquaintances in important stations who place high value on his opinions.

During the years Colonel Maclean's forecasts of important world events have been amazingly accurate. He has gone far since the day he published his first trade journal, and his success is accounted for largely by a delightful personality, plus, of course, hard work and clear foresight.

In the Mail . .

That $75,000,000 Saving

Editor, The Financial Post:

Sir Edward Beatty continues to present with exceptional capacity his argument in favor of joint operation of the two railway systems.

The question is an exceedingly complicated one. It is difficult for the layman to understand. If Sir Edward fails to convince, it is because he is so fully familiar with the railroad problem himself that he fails to make clear to others the facts which, to him, seem so obvious. Consider the suggestion of a total saving through unified operation amounting to $75 millions. If taken just as it appears it is, I think, rather difficult to comprehend. What does the statement mean? Does it mean a reduction of $75 millions from the combined expenses of the C.P.R. and C.N.R. in 1936 or is it intended to apply to the peak year of 1928, or to some other selected year?

According to D.B.S reports, earnings for the two roads in 1936 were:

	Oper. Rev. $	Oper. Exps. $
C.N.R.	186,600,000	171,400,000
C.P.R.	143,900,000	115,200,000
Total	330,500,000	286,600,000

These figures indicate a joint operating ratio of 86.7. If we deduct $75 millions from the operating expenditures they will be reduced to $211,600,000, which gives an operating ratio on the combined roads of 64%. This takes no account of probable losses in traffic revenues from discontinued lines—nor does it take into consideration capital savings through reduction of expenditures nor salvage from abandoned lines, ships or other works.

An operating ratio of 64% seems extremely low when compared with similar ratios on U.S. lines which for 1936 are as follows:

Baltimore & Ohio R. R. Co.	73.14
The Delaware & Hudson R. R. Co. .	81.34
Union Pacific R. R. Co.	70.05
Southern Pacific R. R. Co.	72.54
New York Central R. R. Co.	74.46
Pennsylvania Railroad Co.	71.15
Average of six American roads ...	73.77

If Sir Edward's estimated savings are based upon 1936 then we would, under joint operations, have on Canadian roads, an operating ratio approximately 10 points lower than the railways I have mentioned. The "man on the street" would like to have details of altered operating costs under the new form of administration.

Would it be possible, for instance, to reduce expenses for the maintenance of way and structures below the C.P.R. level of 1932-33, or even 1936, and if so, could they without risk be maintained below that level? The same question might be asked in regard to the maintenance of equipment ratio, or is it possible that these ratios in the last few years have been so low on the C.P.R. that increases must be considered?

I seem to recall a statement of Sir Edward that deferred maintenance would have to be met when conditions improved. With increased volume of traffic it is, of course, true that the transportation ratio will drop. The measure of acceleration in the decline, under joint operation, is a problem too deep for the uninitiated.

Personally I have an open mind on the question of operating the two systems—"jointly, for joint account of the owners" as Sir Edward puts it. There are advantages beyond question—there are also I feel, disadvantages discussed neither by Sir Edward—nor the press.

The "man on the street" desires to know the facts. Would it be possible for Sir Edward or some one on his behalf to give us more details in regard to the $75,000,000 saving?

R. J. DEACHMAN.

Ottawa, Ont.

Power Contracts

Editor, The Financial Post,—

I have just seen your article on the front page regarding the reinstatement of the contracts for electrical energy with the Quebec producing companies.

I have read The Post for a number of years now and I feel that this particular piece of journalism is about the finest I have ever seen in it. I agree 100% with it and you are to be highly commended.

There is one feature you have neglected to mention. It is the loss to the investors, in the matter of returns on their investments in the securities of the involved companies, by the unwarranted and scandalous manner in which pure arbitrary cancellation of the original contracts was executed.

I submit, that even had the price been cut on the original contracts to what it now is, these companies could have, and no doubt would have, continued payment of obligations to investors in their securities.

I believe that you would be doing a good job to hammer away at this angle until the Legislature be shamed into doing the right thing, that is, if they have any shame.

A. G. RIDDELL.

Hamilton, Ont.

As Others See Us . . . .

A Voice From the Maritimes

Truro News

In a recent issue of The Financial Post appears an illustration along the lines of a proposal made in Observations by Observer in this paper nearly a year ago. Observer's suggestions were along the line of cutting down the cost of governments in Canada and the proposal was to reduce the present nine local governments to five local governments combining the Maritime Provinces as one, the Prairie Provinces as another; British Columbia and the Yukon as a third, Ontario and Quebec to remain as they are.

It would seem that a sane sound move might be made along these lines to save costs and reduce taxation. There always has been and there will continue to be opposition to such a move. If, however, the Rowell Commission should find that the plan is in the best interests of all concerned then, regardless of Maritime, Prairie or any other local political pressures, the plan should be forced through and put into effect.

Stop Me If You've Heard This One . .

An old Scotsman was smoking in the waiting room of a railway station. A porter said to him: "Don't you see that notice on the wall, 'No Smoking Allowed'?"

"Yes, I do," said the Scot, "but how can I keep all your rules? There's another on the wall, 'Wear Spirella corsets.'"

Week in Business

Christmas Trade Seen Better Than Last Year

Heavy Buying in Last Few Weeks — United States Reports Indicate Current Depression Ending — Starting to Stock Up Again

Early reports indicate that Canadian retailers have generally enjoyed a better Christmas trade than a year ago or the best since 1930. Heavy buying started later but under the impetus of brisk seasonable weather throughout the greater part of the Dominion volume rolled up speedily.

In some areas The Financial Post hears that there was more tendency to buy cheaper gifts this year. This appears to have been due to two reasons, first, consumer resistance to generally higher prices, and secondly, adoption of a cautious attitude until Canadians are more sure of escaping the business blight that has swept over United States. Until fear has been allayed in this connection it is quite possible that resumption of luxury buying and long time purchase of such things as automobiles, furniture and houses will be delayed.

* * * *

Indications are accumulating that the United States depression has scraped bottom. Indeed rise of significant barometers in the last fortnight would point to the low point having already been passed. Moody's commodity index resumed its second rise since late November last week and the intermediate weakness between the two upward movements did not carry the line down to anything near the previous low.

Business Week's weekly indicator after an almost uninterrupted decline from early September has risen steadily since the first of this month though it is still 18 points below the 81.7 of a year ago. The very sensitive New York Times business index showed its first upward movement last week since Aug. 14.

All components of these indicators are by no means favorable but such highly significant factors as carloadings and electric power production have been. Moreover, for the first time in months there are definite reports of a substantial commodity gain.

Turning to Canada the weekly index was off slightly last week but the monthly chart of The Financial Post for November continued to gain ground.

Business Indicators

Current business continues generally favorable with D. B. S. weekly index holding fairly steady around 105, Financial Post monthly index for November up over previous month and wholesale and retail trade generally well above a year ago, though the lead is narrowing.

Railroad statistics slightly less favorable with carloadings and gross earnings both lines for last week slipping slightly below corresponding period a year ago. Cumulative for year to date, in all cases, however, still ahead.

Production figures substantially higher, including latest output for steel, iron and gypsum.

Sea fisheries production in October down but value higher.

Lumber exports in November down; total for year to date higher.

Motor car output last month up but exports down.

Current trend in Canadian business is shown by The Financial Post's index of business activity, with new figures for the week marked thus▲:

Business Conditions—	Dec. 11	Dec. 4	Nov. 27	Nov. 20	Dec. 12/36
Weekly index. D.B.S.	▲104.2	106.1	103.6	105.1	112.9
Commodity prices	▲82.7	82.5	82.6	83.5	77.9
	Nov.	Oct.	Sept.	Aug.	Nov., 1936
Financial Post Index	126.4	123.2	123.9	124.4	120.1
Retail trade (index no. of sales	....	80.9	81.5	79.4	....
Wholesale (% over last year)	....	3.3	12.0	9.0	....
Dept. store sales "	....	79.9	80.1	80.8	....
Country sales "	....	5.1	5.0	3.0	....
Employment D.B.S. Index—	Nov. 1	Oct. 1	Sept. 1	Aug. 1	Nov. 1/36
All industries	125.2	125.7	123.2	120.0	111.0
Manufacturing	119.0	121.7	121.2	118.1	107.7
				Jan. 1 to date	
Transportation—	1937	1936		1937	1936
Car loadings, week (Dec. 11)	▲47,187	50,047		2,504,602	2,344,259
C.N.R. gr. earn., wk. Dec. 14)	$ ▲3,584,956	$ 3,738,886		$ 189,519,922	$ 183,491,920
C.P.R. gr. earn., wk. (Dec. 14)	$ ▲2,727,000	$ 2,732,000		$ 138,352,000	$ 131,845,000
C.P.R. net revenue (Oct.)	$ 4,279,107	$ 4,403,183		$ 17,353,048	$ 16,230,651
C.N.R. net revenue (Oct.)	$ 3,431,576	$ 3,638,519		$ 13,959,438	$ 9,843,980
Iron and Steel (November)—					
Pig iron production (tons)	▲81,463	74,337		816,823	610,173
Steel ingots and castings prod. (tons)	▲110,688	98,534		1,302,677	1,010,598
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (Oct.)	4,356	2,825		100,622	79,119
Factory output (November)	▲13,793	10,086		138,987	114,766
Trucks and Buses:					
Domestic sales* (Oct.)	1,491	1,196		26,954	19,215
Factory output (November)	▲2,781	726		47,361	27,14[illegible]
Exports (November)	▲3,066	5,161		62,574	51,860
Financing (October):					
Used	$ 2,240,600	$ 1,749,543		$ 31,042,207	$ 22,308,625
New	$ 2,051,859	$ 1,543,324		$ 35,672,229	$ 26,314,098
Construction—					
Cons contracts (Nov.)	$ 14,716,300	$ 13,840,400		$ 213,293,100	$ 156,469,200
Production—					
Cement, bbs. (Sept.)	937,749	710,390		4,769,695	3,514,921
Clay (Sept.)	$ 496,091	$ 401,056		$ 3,090,242	$ 2,588,674
Gypsum, tons (Sept.)	146,582	87,510		767,006	541,362
Agriculture—					
Flour prod., bbls. (Oct.)	1,489,185	1,701,267		11,116,478	12,408,09[illegible]
Flour exp., bbls. (Nov.)	405,921	408,653		3,749,333	4,374,783
Wheat exp., bus. (Nov.)	14,542,227	33,308,840		89,372,080	222,612,614
Cattle sales (Oct).	126,578	114,350		853,211	735,886
Hog sales (Oct.)	90,274	112,461		835,262	793,834
Sea Fisheries—(Oct.)‡—					
Catch, cwts.	841,664	1,092,880		7,943,213	7,969,741
Landed value	$ 1,014,615	1,005,188		15,469,240	14,391,261
Newsprint (tons)—					
Production (November)	302,236	285,771		3,345,197	2,890,602
Exports (October)	302,325	280,732		2,830,852	2,411,019
Mining—					
Coal prod., tons (October)	1,694,210	1,808,166		12,487,794	12,264,946
Coal imports, tons (Oct.)	1,837,501	1,633,744		13,375,924	11,001,744
Gold prod., fine oz. (Sept.)	348,109	332,435		3,017,334	2,759,752
Nickel prod., lb. (Sept.)	19,022,019	15,905,474		166,862,938	123,832,594
Copper prod., lb. (Sept.)	48,045,881	36,132,444		377,945,306	305,767,440
Electric Power Output (Oct.)—					
Total monthly m.k.h.†	2,365,062	2,280,508		22,702,265	20,806,580
Trade—					
Imports (October)	$ 82,112,749	$ 65,158,561		$ 675,130,782	$ 516,024,934
Exports (November)	$ 107,817,516	$ 122,866,120		$1,036,006,513	$ 928,495,280
Other Industrial Factors—					
Dressed lumber, exp.:					
M. bd. ft. (November)	▲148,112	173,447		1,725,058	1,565,756
Boot & shoe prod., pr. (Oct.)	1,984,112	1,927,901		21,100,634	18,746,259
Crude petrol, imp. gal. (Oct.)	58,839,605	158,755,174		1,037,396,630	1,037,902,067
Cotton imports, lb. (Oct.)	19,112,693	16,542,791		121,285,935	108,339,870
Raw rubber imp., lb. (Oct.)	13,436,546	6,965,578		64,247,083	50,099,859
Cigarette cons (Oct.) No.†	578,668	551,363		5,579,878	4,633,928
Sugar manufactured, lb.§	158,865,134	141,335,351		792,999,928	802,444,724
Finance—					
Bank debits (October)†	$ 2,905,603	$ 3,328,226		$ 29,159,031	$ 29,221,453
Bond sales (November)	$ ▲221,661,218	$ 49,030,271		$1,188,242,832	$1,201,936,587
Life insurance (October)†	$ 33,762,000	$ 29,402,000		$ 314,650,000	$ 291,702,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to Nov. 6.
▲567 commodities.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.

Saint John Cargo Tonnage Records Gain in November

From Our Own Correspondent

MONTREAL.—Cargo tonnage handled at the port of Saint John in November totalled 79,052 tons, as against 67,552 tons in the same month last year. There was an increase in imports at 48,409 tons, of over 4,000 tons, while exports at 30,643 tons, were up over 7,000 tons.

Cumulative returns for the first 11 months of 1937 showed a total improvement of 1,646,203 tons, made up of 680,875 tons of imports and 965,328 tons of exports.

Montreal Refrigerating Moves to Exchange Stock

From Our Own Correspondent

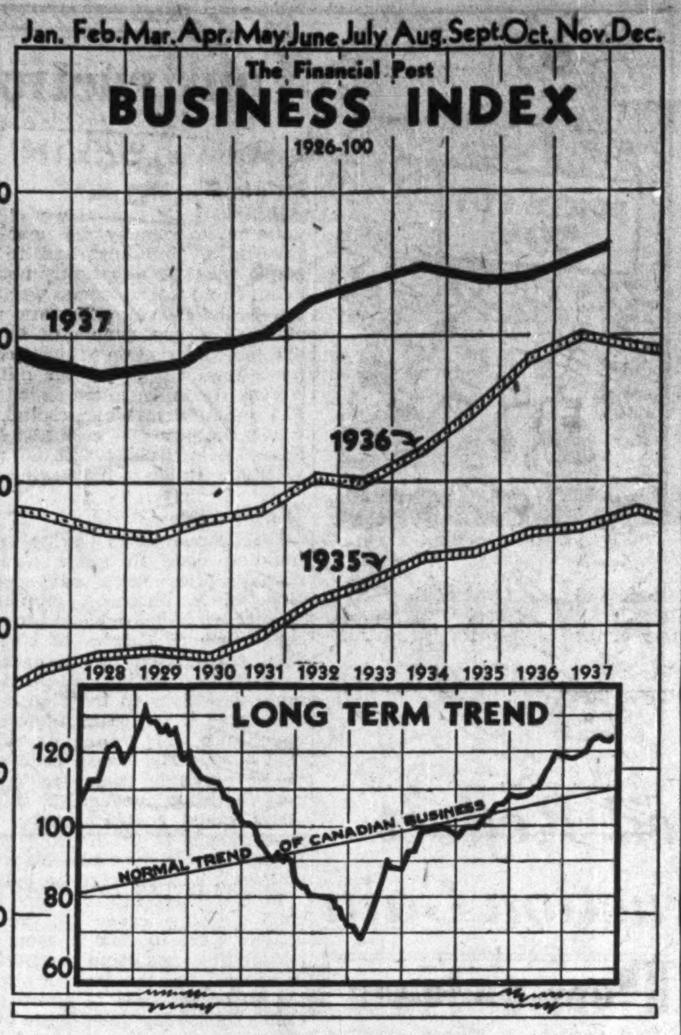
MONTREAL.—Holders of common stock voting trust certificates of Montreal Refrigerating & Storage Ltd. are notified that certificates should be delivered to the voting trustees after Dec. 31, in order to receive in exchange the common share certificates for which they are entitled under the voting trust certificates so surrendered.

LAKE SULPHITE PULP COMPANY LIMITED

Manufacturers of high-grade bleached sulphite pulp and rayon pulp.

Plant at Red Rock, Ontario on Nipigon Bay, Lake Superior, scheduled to begin production about March 25th next.

225 TONS DAILY



CANADIAN BUSINESS HOLDS LEAD

Though the rate of gain has declined and some recession is apparent in a few lines, on the whole Canadian business more than held its ground in November. Total volume for the year now ending is certain to be well above 1936. Aside from the stock market crash there has been little reflection here of the sharp contraction in business in United States.

Major Canadian Economic Factors

		Nov., 1937	Nov., 1936	Oct., 1937	Increase or Decrease Nov., 1937-1936
Financial Post business index		126.4	120.1	124.3	+5.2
Wholesale prices		83.1	77.2	84.7	+7.6
Common stock prices		103.1	131.8	105.8	—21.8
Capitalized bond yields, Dominion		145.3	153.6	143.5	—5.4
Bank deposits		117.8	114.0	120.2	+3.3
Mineral production:					
Copper exports	cwt.	503,505	374,877	384,925	+34.3
Nickel exports	cwt.	214,553	149,492	169,437	+43.5
Zinc exports	cwt.	380,694	194,424	304,708	+95.8
Gold shipments	fine oz.	342,783	333,899	363,908	+2.7
Silver shipments	fine oz.	2,135,446	989,498	2,375,423	+115.8
Asbestos exports	tons	20,741	16,373	19,195	+26.7
Manufacturing production:					
Sugar manufactured	lb.	158,865,134	141,335,351	107,859,853	+12.4
Cattle slaughterings	No.	168,826	162,735	169,118	+3.7
Creamery butter production	lb.	13,336,910	13,431,889	21,993,711	—0.7
Factory cheese production	lb.	4,220,850	5,414,879	14,002,918	—22.1
Canned salmon exports	cwt.	56,635	70,634	82,994	—19.8
Newsprint production	tons	302,236	285,771	314,594	+5.8
Woodpulp exports	ctw.	1,281,471	1,303,899	1,884,342	—1.7
Exports of planks & boards	ft.	148,112,000	173,447,000	149,547,000	—14.6
Shingles exported	squares	148,127	244,914	240,879	—39.5
Steel ingot production	tons	110,688	98,534	114,527	+12.3
Pig iron production	tons	81,463	74,337	80,922	+9.6
Automobile production	No.	16,574	10,812	8,103	+53.3
Construction: Contracts awarded	$	14,716,300	13,840,400	20,169,900	+6.3
Building permits	$	4,906,689	3,097,508	4,384,952	+58.4
Carloadings	No.	235,109	219,914	259,984	+6.9
Exports	$	107,817,516	122,866,120	103,684,388	—12.2

Background of Business

December Sales

December is the big month of the year for most retailers, but particularly so for variety, women's clothing and candy stores, according to a survey compiled by the Royal Bank of Canada. Compared with a monthly average of 8½% the following table shows the percentage of business done by special types of retail stores in December.

December Sales

	% of Year's Volume
Department stores	12.6
Variety stores	15.4
Men's clothing stores	10.7
Women's clothing stores	15.4
Boot & shoe stores	11.8
Candy stores	15.5
Groceries	8.9
Drug stores	9.5
Dyers and cleaners	6.4
Restaurants	8.5
All stores	11.1

There is also a very pronounced variation in business done on ordinary week days and Saturday. For instance over a third of the total weekly business by variety, men's clothing, boot and shoe, candy stores, groceries and meat shops is done on the last day of the week. The percentage of this Saturday business as compared with that of the total week by the various types of stores is as follows:

Saturday Sales

	% of Week's Volume
Drug stores	24.3
Department stores	21.6
Variety stores	38.3
Men's clothing stores	35.0
Women's clothing stores	15.4
Boot & shoe stores	38.4
Candy stores	35.0
Furniture stores	15.5
Groceries and meats	40.0
Restaurants	18.5

* * *

Allege Price Cutting

As a result of groceries price-cutting Canadian Grocer reports that independent retailers, including voluntary and wholesale grocers have petitioned the Ontario Government to set up a commission to deal with alleged unethical practices. At recent meetings, statements were made that certain chain stores were advertising goods to consumers at carload prices. As a result of the meeting a committee on policy was set up to confer at regular periods for the purpose of dealing with "specific and flagrant instances of price-cutting," and also to direct a campaign for the distribution of a petition asking the provincial authorities to establish a merchandising commission to which "unethical and economically unsound practices in distribution should be referred for appropriate action."

* * *

Fur Prices Down

WINNIPEG.—Firm resistance to price levels was shown by buyers at the first fur sale of the 1937-38 season, held by the Dominion Fur Auction Co. last week. Prices of silver fox declined 10% to 15% and mink dropped 55%. Full silvers brought $38 to $55; three quarters, $33 to $45; half silvers, $24 to $40, quarters silver $18 to $20.50 and blacks were neglected. Off color skins in the various designations sold at about 30% less. There were 2,270 skins in the collection. Mink (4,470 skins) sold as follows: Ontario $7.75 to $9, Northern Manitoba $7.25 to $8.50, westerns $7 to $8. No. 2's $3.20 to $4. Skunk, selected double extra large and large sold $1.32 to $1.52½, ones and twos $1.17½ to $1.25.

Beaver, 1,050 skins and a fair collection sold on the basis of $17 to $18.50 for double extra large down to $8 to $8 for mediums.

Ermine, 35,000 skins, sold on the basis of $1.02½ to $1.12½ for westerns double extra large. White fox, ones and twos sold at $20.50 Lynx, 100 skins, large and extra large sold $42 to $47. Otter, 110 skins brown, large and extra large sold $15 to $18.50. Fisher, 40 skins, medium and small sizes dark $39 to $65. Red Fox, 1,170 skins, North West Territory and similar sorts, ones, part twos sold $9.75 to $11.25. Timber wolves were neglected and wolves, 1,520 skins, sold on the basis of $8.75 to $10 for ones and twos.

* * *

Doubts Price Laws

Little faith in price maintenance through legislation is expressed by the Western Retailer, published by the Saskatchewan Retail Merchants Association. Recently such a course has been suggested in British Columbia where it is expected, legislation to this effect will be submitted at the next session of Parliament. The British Columbia proposal would make it an offense to sell goods at less than a 5% markup from wholesale prices. "Price Maintenance," states the Western Retailer. "could not be applied to many lines of business. How, for instance, could it be applied to the dry goods business, or any business where style and fashion enter into the picture? Its advantages would no doubt be many to both the drug and grocery business since they handle so many proprietary lines, but it is admitted today that the manufacturers in some lines have been forced to pay bonuses to price cutters to induce them to fall into line."

This mouthpiece of western retailers sees a further disadvantage in the proposed legislation in that it would play into the hands of chain stores and co-operatives

* * *

Light Costs Slump

The average consumer today gets 10 times as much electric light per dollar as he did shortly after the turn of the century, points out W. J. Orr, Canadian Westinghouse. When the first tungsten filament lamps were introduced in 1907 they were sold by means of the slogan—"Three Times as Much Light for the Same Money." Now, explains Mr. Orr, as result of steadily decreasing costs, of lamp, electric current, plus increased efficiency of the lamp, that spread over the old carbon lamp has been multiplied 3½ times. Since 1907 the price of the modern electric light bulb has fallen from an original retail quotation of around $1.75 for the 60 watt to approximately 20 cents in the larger centres today. Cost of electric current during the same period in most cities has declined from 40% to 75%.

Bankruptcies

The Canada Gazette announces meeting of creditors in the matter of:

Alberta

Rubbra & Co. Ltd., F. C., Calgary.

British Columbia

Tempest, O. V., Kelowna.
Mabury Engineering Corp. Ltd., Vancouver.

Ontario

Pritchard, W. W., Harriston.
Foley, G. A., St. Catharines.
Bell, H. C., Twp. Smith.
Ford, P. G., Toronto.
Canada Fish Distribution Ltd., Windsor.
Interprovince Furniture Co., Toronto.

Quebec

Lemieux (Henry) Ltée., Quebec.
Elsie Dry Goods Store, Montreal.
Windsor Silk Mills Ltd., Montreal.
Mintz, W. & B., Montreal.
Brodeur, J. F., Montreal.
Bourassa, J. P., Montreal.
Camarda, J., Montreal.
Bolduc Enrg., J. A., Amos.
Rouleau, J. N. G., Quebec.
Lamarche, F., Lachute.
Robert A., St. Lin.
Abraham, M., Waterloo.
Dumais, J. G., Dolbeau.

Unexpected Gains Made By Business

Expansion Continues in Canadian Production Despite U.S. Slump

Continued expansion of productive operations in Canada this fall has been rather unexpected. Following deflation in common stock prices, weakness in some other lines, and the United States slump it was generally anticipated that business would decline during the last quarter. Records to date, however, and they are now fairly complete for November and October, indicate that the trend has been the other way. The Financial Post business index for November rose two points above the previous month to 126.4, which compares with 120.1 for November a year ago.

The financial background of business continues strong, with high-grade bonds close to the best levels of the year. The liquid position of the banks has been well maintained, notice deposits reaching a relatively high level at Nov. 1. Some advance has been shown in current loans in the last 18 months but in comparison with deposits, the amount outstanding is considered very moderate.

Most speculative commodities have shown marked weakness in the last three months but Canadian wheat owing to the reduction in the visible supply has demonstrated resistance to this downward trend. The level of wholesale prices has remained considerably above that of 1936.

During November copper exports reached a new high point at 50.4 million pounds. Nickel exports also recorded expansion. Some slight recession was shown in shipments from the gold mines.

Output of foodstuffs in November was nearly maintained at the high level of the preceding month. The bright feature in this picture was the marked activity of the sugar industry. The output of 158.9 million pounds was greater than in any other four-week period in the last 18 years. Livestock slaughterings were again heavy with big gains in sheep and hogs.

Activity in the forestry industry was checked somewhat during November although lumber export registered improvement. Production of newsprint, however, dropped almost 5%.

U. S. Advertisers Use Less Space

November Returns Show Falling Off in Linage from 1936 Figures

From Our Own Correspondent

MONTREAL.—Newspaper advertising linage in 52 metropolitan cities in the United States dropped off in November to a point 9.3% below last year's high November level, according to records compiled by Media Records Inc. and published by Editor and Publisher. This left newspaper linage for the first 11 months of the year 3% higher than in the same period of 1936.

During the past month advertising totalled 119,746,218 lines, compared with 131,985,869 for the corresponding month of last year.

In a breakdown of returns, retail advertising totalled 69,892,151 lines, or a drop of 4.8% compared with November, 1936. Departmental store advertising held up fairly well, dropping 1.3% to 30,047,009 lines.

General advertising at 20,151,002 lines compared with 24,227,349 lines a year ago. Automotive advertising aggregated 6,589,296 lines, a decline of 32.8%; while financial advertising at 1,375,390 lines, was off 25.6%.

Foreign Business

United States Department of Commerce summarizes foreign business as follows:

Japan—Control over business is being evidenced, rubber being reported as added to the list of controlled commodities, and consumption of paper, oil and coal being restricted; the silk business has been discouraging.

China—Shipping between Shanghai and several other China coast ports continues to be operated by foreign concerns; raw silk exports continued to move outward from Shanghai through October.

Hawaii—The situation at the beginning of December reflected a noteworthy degree of progress during the year, with business in nearly every line better than in 1936, and with tourist trade tending steadily upward.

Venezuela — Foreign exchange situation remains extremely difficult, though with a few indications of easing of the pressure; the coffee crisis has affected business adversely, despite the absence of stocks in Venezuela.

Nicaragua—A severe setback has resulted from the fall in coffee prices, coffee growers are requesting relief measures, and foreign exchange is scarce.

Austria—Industrial production index recovered in September after a midsummer decline; foreign trade in October was smaller, but for 10 months both imports and exports have exceeded last year.

Greece—Foreign trade for nine months of this year showed gains in both directions; exports to the United States have more than doubled.

SECURITIES SHOULD BE SUPERVISED

In a period of frequent fluctuations it is necessary for the investor to have supervision of his list of holdings. Suggestions for investment are available through any of our branches.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

McLEOD, YOUNG, WEIR & Co.
LIMITED
INVESTMENT SECURITIES
TORONTO
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OTTAWA
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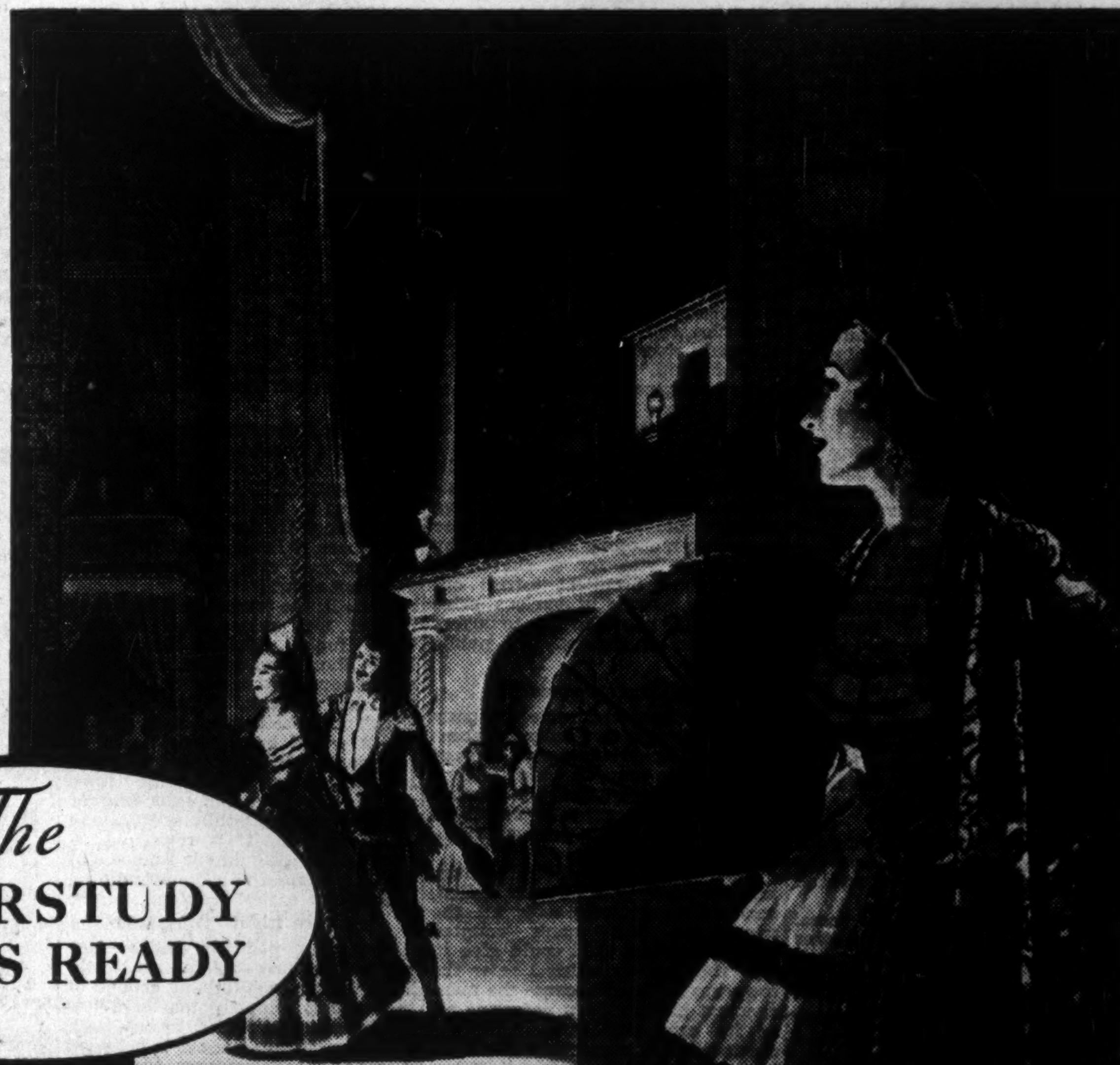
LONDON
Richmond Building
MONTREAL
231 St. James Street
HAMILTON
Spectator Building
Correspondents in New York and London, England.



The UNDERSTUDY STANDS READY

"The show must go on" is one of the finest traditions of the stage. If anything should happen to a player, an understudy goes on. In opera particularly, when there is doubt about the condition of a singer's voice, the understudy stands in the wings ready, at any moment, to carry through the performance.

Whatever happens, life must go on for your family. You can make Life insurance your understudy, ready and able to step in and carry through your family obligations. Then you can be sure that your financial responsibilities to your wife and loved ones will be fulfilled.

Life insurance will provide money to pay for food, clothing and shelter; to assure your children an adequate education; and, if need be, to pay off the mortgage and make your family's home really theirs. As you carry out your own Life Insurance Program you will have the satisfaction of knowing that you have a dependable understudy.

Before the curtain rises on the new year, why don't you sit down with a Metropolitan Field-Man and work out with him a Program that takes into account your needs, your means, your prospects. Telephone the nearest Metropolitan office today—or mail the coupon.

The Metropolitan issues Life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies . . . The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.

Metropolitan Life Insurance Company
Canadian Head Office, Ottawa
Without obligation on my part, I would like to have information regarding a Life Insurance Program to meet my needs.
NAME....................
ADDRESS....................
CITY.................... PROV....................

METROPOLITAN LIFE INSURANCE COMPANY
NEW YORK
FREDERICK H. ECKER
Chairman of the Board
LEROY A. LINCOLN
President
CANADIAN HEAD OFFICE—OTTAWA
SERVING CANADA SINCE 1872

Realities in Real Estate — 9

Frontiers of Real Estate

Surge Toward North Opens Opportunity For the Town Planner

By R. A. McEACHERN

A lone prospector snowshoes his way through the northern wilderness. He has a hunch, hears a rumor. His pick and pan tell him he's right. The wheels of finance turn. Diamond drills go in. A mill goes up. Scores, hundreds of miners and their families are there. A town is born where before there was nothing but rock and bush and silence.

All across Canada these "miracle towns" are springing into life. Every one of them makes a new real estate frontier and a new boom.

"We'll never have another big real estate boom on this continent," a big operator told me a few days ago. He retailed the splendors of the real estate past. The hardy and courageous pioneers who kept moving west, toward the wheat lands. The overnight towns and cities. The surge toward the new—the frontier. The fortunes to be made in land and building. He sang the glories of old immigration schemes which dumped boatloads of new citizens every week. They needed homes and stores—and slums. They kept the real estate pot boiling. "But it's all over now and it will never be the same again," he lamented.

Surge Toward North

At least we are having many little booms. The surge has taken a new direction—toward the golden North.

The mining town is different to almost every other community in the world. Almost 10 times out of 10 there was nothing or next to nothing to start with. Other cities, towns and villages have their birth on the pathways of trade, at the crossing of the roads where horses and men might rest and gossip and buy something, at the harbor where ships might ride in safety, at the waterfall where millwheels would turn.

Precious metals are where you find them. The mining town is, almost always, absolutely de novo.

And extraordinary advantages that brings. Almost every other village, town and city, "just growed." It sprawled out and kept sprawling until city fathers found they had a city and billion dollar encumbrances and bungles on their hands.

Most city streets were created for pedestrians and horse-drawn vehicles. They are wandering, vague and bungled, or geometric and monotonous. Every city finds stores or factories or slums where nature intended its official buildings, its churches or schools to stand. And every city finds that by the time it wakes up, and realizes it is a city, these ingrown errors are too costly to correct until time the destroyer assists. Then with varying degrees of assiduity and intelligence, city fathers apply themselves to trying to prevent a repetition of the bungles in suburban subdivisions yet to be born.

Can Be Avoided

All this the mining town can avoid and sometimes does. There is nothing to prevent a nearly perfect job of town planning.

Don't think town planning and zoning is just "arty" and beautiful. What would happen to the value of your house if a chicken ranch or a packing factory started up in the next block? Or if your neighbor rents his place for a semi-slum rooming house? Isn't it going to make your town a more desirable place to live if your business section is compact and tidy, your factories accessible but not smoking and stinking and thundering near your home? Spend $500,000 on the city hall, down main street beside Si's garage. What have you got? Nothing but $500,000 worth of building. Spend $250,000 on your city hall in a park at the top of a street or on an eminence over the town and you have half a million dollars worth of apt dignity advertising your city and its citizens. The same goes for schools, libraries, churches, halls—all the buildings that tell the newcomer the place is civilized.

Planning pays.

What kind of a job is being done in the mining towns which have the almost unique advantage of sudden birth?

Excellent is the word for some. Many of the older mining towns suffer all and more of the mistakes of the slowly born cities a century old.

There is, however, a big measure of excuse for older mine towns. Who then envisioned mines breeding mines and giving up riches for scores of years?

Mining Grown Up Business

Now, mining is big, grown up business. No longer is it a plunge into the wilderness, and, a few months or a year later, a gallop to the bright lights.

Engineers and machines now block out ore and tell for years ahead the likely ore production. The modern miner lives in a town, not in a camp. He is usually a home-dweller, not a boarder. He is a citizen, not a gipsy.

Here is the birth of a mining town likely to become the typical case history.

This and So mine had ore for years blocked out. There were ore showings all around sustaining bright hopes for the future of the district. The mine company had a few shacks for the development crew and only a couple of prospectors' huts hovered nearby.

The mine company owned the surrounding block of some 2,000 acres. They had two courses. They could chop up the land into lots and build cottages for rent or make some arrangement with their men to build cottages on this company land. The alternative was to survey a townsite, have the district broken up formally into lots, and have the whole plan approved and registered with the Provincial Government.

Advantages For Company

What are the advantages of this second scheme? From the company point of view, it is a money-maker. Few are simple enough to buy property without getting a deed to it. And you can't get a deed unless the lot is clearly defined on a map and it won't be clearly defined unless there is a formal plan. In other words, if the mine company lays out a townsite, it can get $300 to $1,000 for its lots, whereas without a townsite registered and approved by the Government, it can get at best only a small and nominal sum for building privileges. Real estate is thus a potentially big source of revenue for the mine company.

But there are other advantages too. Most mines are developing in "unorganized territory." That is, local government has not been established. By establishing a townsite, the citizens get the right to set up their own government, elect their own officials, look after their own local affairs like waterworks, light and public utilities, run their own school.

First thing the This and So mine people did was to hire a first-rate architect and town planner to lay out the district in co-operation with a surveyor. His town plan did not look like a piece of squared paper. His main street did not run up the side of a hill. He moved the whole town over a way so as to leave a big chunk of bog far on the outskirts. He laid out the hillside as a park, surmounted by sites for town hall, other official buildings, schools, hospitals. He put in a broad residential boulevard. Less expensive homes would stand on streets whose geometric monotony was broken by a park or site for a church or school. The architect turned out plans for houses in various price classes to be provided free to buyers and sketched designs for public buildings.

Costs Are Reasonable

All this cost the mine company only the price of two or three decent lots, yet it gave them the makings of an attractive town in which to live, thereby increasing both the number of people who wanted to live there and the amount they were willing to pay for land. It paid.

Here was a made-to-order town, without the bungles of uncontrolled, unconscious growth, with all the advantages that man's vaunted intelligence and skill could give it.

In the case to which I refer the town has suffered because the management has not been enforcing all of its originally good intentions about building restrictions and sanitary arrangements. Although it has grown in a few years from one or two shacks to a town of some 300 families with three churches and two banks, the town has its "temporary" shacks which are threatening to be permanent eyesores. Regulations demanding chemical closets or cesspools until a municipal waterworks system was installed have frequently been ignored. "A couple of local lads pretty handy with a saw" were entrusted by most home builders to turn out a house of their own creation.

The original promise of the town as a show place of the North has not been entirely fulfilled. Penury of some residents is the excuse given. But miner's pay is relatively high. Financially, perhaps no other type of town is so well fitted for a good job of town making. With some strong leadership and strict adherence to the building rules residents could have been encouraged to secure building loans where necessary and live up to the plan both in construction and conveniences. With a minimum of cost and risk the mine company itself might have backed loans.

Perils of Mining Town

Unique perils do, of course, beset the mining towns. Will the ore hold out? Ghost towns of both lumbering and mining show what can and often has happened. But for this danger the modern age has defences better than ever before. Science reveals the situation years ahead. And mining is now such a big expensive business that extensive operations and a big set up are attempted only where there is a fairly long-term prospect. This was not in the past the case.

A danger of the mine town is, that not being originally located for geographical or population reasons, it may not in future prove the natural focal point for the development of the area. To thrive, the mine town has to be the centre for the whole district's activity and business.

This difficulty is well demonstrated in one very promising new mining camp which lies about half way between two well-established, sizeable towns.

To date three separate mining companies, all within about a dozen miles, are laying magnificent plans for new towns. The plans are intelligent and expert. Each mine has to have its workers. But the two big towns already established are only some 60 miles apart and the sparseness of population between almost certainly condemns the three little new places to perpetual, unthriving villagehood.

Useful regulation over mine town development is being exercised by some of the Provincial Governments. Little beyond the simpler regulations of public health and education can be enforced in an unorganized camp or company town. But where a company asks that its townsite be registered and that the town be incorporated, then the Government can turn thumbs down.

Provinces on Watch

Here are some of the things some provinces are watching. Has the town a fair chance of long life? Is it well located in relation to surrounding district potentialities? Is it on the best site in the surrounding couple of miles? Is it, for instance, away from boggy grounds? Is there surface earth permitting the laying of drains? In some mine centres the top soil ranges from nothing to six inches deep. Laying drains, sewers and waterworks through rock is tremendously costly. Are building restrictions going to prevent the birth of slums?

Since Governments have assumed responsibility for unemployment relief and in wide measure, public health, working and living conditions are very definitely their concern. While their powers are still rather limited and exercised largely in an indirect way, the intelligent official even with existing legislation can do a great deal to make and keep desirable new mine communities.

Two special angles there are to the mine town situation. Kirkland Lake, a "town" of some 21,000 people is not a town at all. It is just a cluster of homes in the township of Teck. Throughout its lengthy life people have been talking about incorporating it as a city but never doing anything about it. There is a special reason. In the township of Teck are located rich mines like Macassa, Teck Hughes, Wright Hargreaves, Lake Shore and others. All these mines now have to pay taxes to the township of Teck. If the "town" of Kirkland Lake decided to incorporate it would have to set forth its boundaries. If it included all these big taxpaying mines, the town would have the cost of extending far into the country public utilities and other services. If it restricted its boundaries, it would cut out some of the big taxpayers. Doing nothing seemed the easiest way out.

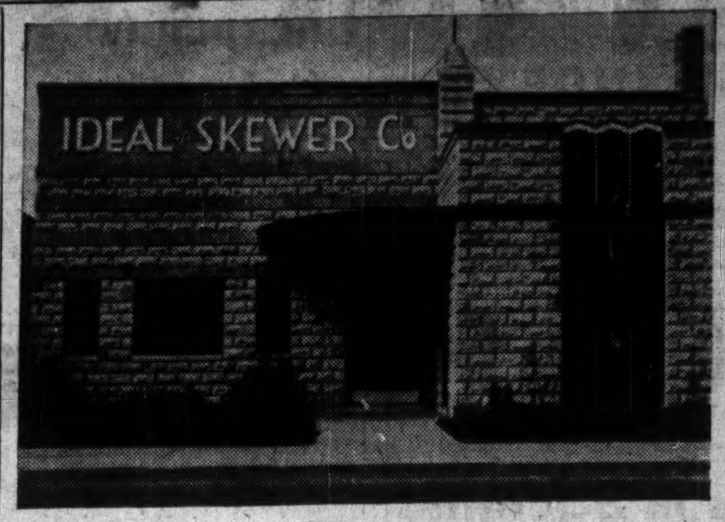
Surface Right Only Sold

The other point is that surface rights only are sold in the North. The old joke is still going around of the mining company that sold lots and later found it had to buy back from the citizens the ore it believed it owned a mile underground.

Canadian mining is still very young. Almost yearly, some new part of the northland is claimed for civilization. With the mine and development companies rests most of the responsibility for what kind of towns the North will have. Where companies have supervised or led the way in real estate development, the result is, in many cases, good, sharply contrasting with adjacent or near-by shack towns that "just growed." Kapuskasing, a pulp and paper town, was planned before birth and is therefore a model of what planning can do.

Companies can make Canadian wilderness towns an example to the world. Governments may find new methods of encouragement or inducement. These towns can be models of economy, health, convenience and beauty.

Furthermore, they pay.



FACTORY

Of strikingly modern design is the stone and glass front of the factory and office building of Pressure Castings Ltd., at Weston, Ont., recently leased by the company. (Photo courtesy of the Toronto Industrial Commission.)

Construction

Permits Issued Reflect 37% Construction Gain

Spurt in November Brings Cumulative Total to New High

Volume of urban construction in Canada during November, as indicated by total of building permits issued by 58 cities reporting to the Dominion Bureau of Statistics, showed an expansion of more than 58% in comparison with November, 1936. The jump in the November total raised to nearly 37% the cumulative increase of permit totals for the first 11 months of this year, over the figure for the parallel period in 1936.

Both the November total of $4.9 millions and the 11-months figure ($52 millions) were higher than in any equivalent period since 1931, when the November and cumulative totals were $7.3 millions and $104.3 millions. In 1932, there was a pronounced drop, the corresponding totals being $2.5 millions and $40.7 millions. Last year, permit values in November and for 11 months were $3 millions and $38 millions.

The D. B. S. index of permit totals for the year to date now stands at 35.9, compared with 26.3 a year ago, 28.1 in 1932 and 72 in 1931. Base level of 100 was in 1926. Average index of wholesale building material prices so far in 1937 stands at 94.5, more than nine points above last year, but still lower than the index for any equivalent period since 1929, when the figure was 99.1.

Provincial permit totals showing the greatest advances last month in comparison with November, 1936, were those for Ontario, which jumped 56.9%, and British Columbia, which advanced 111.9%. Under the same comparison, substantial increases were recorded in Montreal, Toronto and Vancouver, while moderate advances were shown in Winnipeg, Halifax, Moncton, Sherbrooke, Welland, Port Arthur, Moose Jaw, Medicine Hat, Prince Rupert and Victoria.

Despite the substantial rise in construction activity, the 11-months total for 1937 indicates that urban building will be only one third of the volume in 1930 and less than one quarter of the 1929 level.

New Building

Steel Company of Canada, Hamilton, Ont., intends reconstruction of benzol recovery plant, wrecked by recent explosion and fire. The building cost $250,000 when constructed some years ago.

British-American Brewing Co., Windsor, Ont., has obtained quotations for erection of additions to its plant at estimated cost of $40,000.

Perth Dye Works, Winnipeg, has obtained permit for erection of addition to its plant at estimated cost of $25,000.

London Health Association, London, Ont., is preparing to award contract for construction of $200,000 addition to Queen Alexandra Hospital.

Recent operations reported on by Engineering & Contract Record include:

Bank of Canada, Ottawa, has awarded contracts for bronze doors, metal work, tile flooring, and other finishing details of its $775,000 headquarters building in Ottawa.

Swift Canadian Co. is reportedly considering $60,000 addition to its refrigeration plant at Moncton, N.B.

New Brunswick Power Co., Saint John, will spend more than $700,000 on extension of its Dock Street power plant.

Murray's Lunch Ltd., has abandoned its plan for extensive alterations to its restaurant unit at Yonge and Bloor Streets, Toronto, and now contemplates erection of a $50,000 restaurant building at 770 Yonge St.

Construction World

Public Works

Prospect of public works programmes to remedy deficiencies in government buildings and to give employment, is apparently not dormant. From Regina comes word that the Saskatchewan Government is studying a programme of hospital and jail construction projects calling for a total outlay of $4.2 millions. Among the units contemplated are a $3.5 millions mental hospital, two cancer hospitals to cost $320,000, a home for incurables, $266,000, and a $160,000 addition to the Regina jail.

* * *

Model Code

Practical reasons for a model building code to guide Canadian municipalities were advanced by Hon. C. A. Dunning, minister of finance, when he spoke at the recent conference in Ottawa of construction, engineering and research organizations. Estimating that the wide variations in building regulations was a source of unnecessary ependiture, Mr. Dunning argued that a scientific model code would be of particular value to the low cost housing movement. Modern codes would enable those of moderate means to get housing accommodation of highest possible quality at lowest possible cost, he believed.

In Mr. Dunning's opinion, existing building codes in Canadian centres were too lax in some cases and unduly restrictive in others, and in general had the fault of attempting to be manuals of construction. Codes should lay down basic principles covering all materials which conformed to fundamental requirements of structural soundness, fire protection, and sanitation, rather than attempting to lay down specific regulations about specific materials, he felt. The minister emphasized that there was no thought of setting up a code that would be anything more than a model, or would be thrust upon municipal governments under compulsion.

* * *

No Sale

Civic authorities in Winnipeg were somewhat disconcerted when complete failure met their attempt to sell by public tender the model specimen display house, by erection of which the low-cost housing programme of the semi-civic Winnipeg Housing Co. was launched. The house was designed to cost $3,500-$3,600, and to sell on a basis of $400-$700 cash down payment and monthly payments of $30 (including taxes) for 20 years. The initial specimen house cost $3,820 to build, with certain extra improvements and equipment.

More than 12,000 persons visited the house when it was thrown open for public inspection, and there were numerous enquiries for prospective purchase on the original basis. But it was not surprising that no tenders were filed when the city in effect asked would-be buyers to pay a premium for the house and outbid others desirous of purchasing. The house is now being offered at cost price, and will presumably be sold on a "first come, first served" basis.

A Voice From the Maritimes

Trade Peter and Trade Paul

Maritimes Fearful of Unscrambling of the Ottawa Trade Pacts

This week Dr. Stewart voices the feelings of concern in the Maritime Provinces over the negotiations for a revision of U. K. preference and U. K. reciprocity.

As Dr. Stewart admits, Maritime anxiety may be based upon a false alarm. But in the meantime the people of the Atlantic provinces are worried about what may happen to their newly found export markets.

Dr. Stewart is the famed CBC political commentator and writes regularly for The Post, He interprets the Eastern point of view as he sees it. The Financial Post neither dictates what Dr. Stewart shall say nor undertakes to agree with every opinion he expresses.

By HERBERT L. STEWART

The topic I discussed in this column last week, that of the coming Anglo-American Trade Treaty, has now reached in these provinces the stage of [illegible] consideration about terms. [illegible] is taken for granted (official reassurances to the contrary notwithstanding) is that some group in Canada will be asked to make large sacrifice, for which some other group in Canada will receive "compensation." That the United States will not concede something for nothing is held to be obvious. But it 's also thought quite probable that the particular Canadian producers by whom nothing has been conceded will receive the indemnity, while other Canadian producers will have to bear the loss.

H. L. STEWART

Such forecast, one may suppose, is what has inspired in British Columbia a renewal of the desperate talk about "secession." When the Dominion-Provincial Relations Commission moves east, it must expect to find in these provinces, too, an atmosphere by no means improved. Nor does the news of recent eloquence at Shawinigan Falls suggest that central Canada is just now more amenable to persuasion. Upon what a coincidence of difficulties have those commissioners lighted!

British Press Attitude

While Mr. Malcolm MacDonald maintains the soothing tone of a Dominions' minister, such an organ as the London "New Statesman and Nation" tells the Nova Scotian apple-grower and the New Brunswick lumberman how and where the pinch is likely to be felt. What is in prospect, as that paper picturesquely puts it, is "unscrambling Ottawa," for only by sending back to the United States at least a satisfactory proportion of the business which the Ottawa Agreements diverted to Canada can British negotiators secure from Washington what they want for their own country. What is it, then, that those British negotiators want? Obviously better terms for textiles, now paying between 30 and 45% duty at American ports; for linen damask and silks, now paying 45 to 60%; for cotton lace and earthenware, now paying 90%. What can they offer, in return for abatement of tax on these commodities? No doubt it would be attractive if a wider opportunity were given on the British market to American automobiles, radio sets, machine tools, refrigerators; but that seems too much to expect from a country itself so highly industrialized. Especially as what the United States producer would value still more might be conceded not at British but at Dominion expense!

It seems that since 1929 the British have bought less bacon and ham —less by 80%—than formerly in the American market; less soft wood by 50%; less of cereals and condensed milk and fruit. They have bought these things in Canada instead; the slogan, "Buy British," reinforced by the more favorable conditions for such purchase, has been effective. Naturally, when it is proposed (for promotion of "a common democratic front against Fascism," or for any other worthy purpose) to cement the bonds of Anglo-American trade, the first suggestion from Washington will be—"What about repairing the links you broke in 1932?" Concretely, for Nova Scotia and New Brunswick, that would mean removal or reduction of preference on apples and timber.

Who Would be Helped

But, of course, there would be a "quid pro quo"! What interests us about that, down here in the east, is not simply the usual question of how large would be the "quo" and the "quid" respectively; it is also the question whether the persons who receive the "quid" will be the same who have first parted with the "quo." To every enquiry about what we might expect in compensation for loss of our preference on fruit and timber, the answer is returned that our fish would be given a better chance in the American market. But the people who would thus gain on fish are not the same who would have lost on fruit. We have at the moment in Nova Scotia a most unedifying spectacle of calculation as to how many members of parliament for fruit areas can be depended upon to nullify the votes of members for fish areas. Annapolis Valley men rise with a dismal countenance from the arithmetical forecast.

At this time of writing, an endeavor is being made to lull anxiety here by persuading local fruit-growers that the loss of preference would affect only the orchards of Ontario and British Columbia. It is urged that the real competition for Nova Scotia apples, "owing to similarity of form," is with the apples of the Old Country; that to more extensive British planting and more effective British management of late must be attributed the difficulties with which the Annapolis Valley shipper has had to contend, and that these would not be affected by any conceivable advantage of preference, for this would exclude only a competitor who is not in any case formidable.

It seems to be assumed that this argument will be not less but more appealing in the east by reason of the admission that Ontario and British Columbia are not so fortunate as we are, and may well feel the sting of loss of preference as against the States of Washington and Oregon. Did not Burke well remind us of the fortitude with which most people can hear of the misfortunes of their friends?

Intricate Calculation

It is one current suggestion that, in this triangular bargaining, what has been lost by Canada's negotiation with Great Britain, or again by Great Britain's negotiation with the United States, may be made good by the United States negotiation with Canada. Suppose that terms sufficiently attractive were offered by Washington to Ottawa for Canadian-American trade, opening the door wide, for example, to Canadian dairy produce in the American market, might not this reconcile Canada to a measure of indulgence for lowered tariff on American goods at British ports? What matter where our commodities are sold, provided we sell them? And, after all, the American market is nearer.

But it is an intricate calculation, with many an opportunity of going wrong, and our experience of the tariff game with our powerful neighbor is not such as to encourage us to new adventures. Moreover, as a British economist has been quick to point out, there is an irreducible conflict of interest, geographically and politically, between the Americans who would gain and those who would lose on such an adjustment with Canada. If the Maritime fruit dealer will not be consoled for his reduced trade by assurance that Maritime fish men are prospering remarkably, neither will the United States dairy farmer be content that at his expense, in loss of home trade to Canadians, the Dominion resistance against better business for American fruit producers in the British market has been effectively bought off.

It is time, I think, for some authoritative word to be spoken, to heal these growing discontents. As I remarked in an earlier article, it may be a false alarm, but the alarm may do none the less damage for being false. The urgency, too, of reducing just now needless sources of friction calls for no emphasis. At the best, they are too numerous. One hates to think of them at the worst.

Problems of Municipalities Up to Province, says Rowell

By Staff Writer

REGINA.—Chief Justice N. W. Rowell in commenting upon submissions to the Royal Commission on Dominion-Provincial Relations by municipal organizations and municipalities here and in Winnipeg has made it clear the Commission has no power to recommend an adjustment as between the responsibilities of provinces and municipalities. Municipalities are creatures of the provinces and for this reason the Commission cannot interfere. Adjustments in this regard can only be settled by negotiations between the provinces and municipalities.

He has made it quite clear that the Commission has no power to consider the position of individual municipalities and make recommendations in regard thereto. Rather, the position of municipalities will be considered only as a part of the general provincial picture in so far as it affects the position of the provincial government.

Mr. Rowell stated the Commission is hearing representations from municipalities only where such a course has been requested by the provincial government.

In the main, there are three aspects in which the Commission will have to consider the position of municipalities. These are in regard to the proposal that the Dominion should assume the entire cost of relief and old age pensions, the tax burden on real estate and the general financial position of municipalities in so far as it affects the provincial situation.

The only specific recommendation of the Commission as regards relief to municipalities will probably be in connection with the responsibility for direct relief and old age pensions.

Planes Aid Output Of Canadian Car

Drury Tells Meeting of War Claim, Aviation and Car Orders

From Our Own Correspondent

MONTREAL.—Outlook of Canadian Car & Foundry Co. for 1937-38 is promising, Victor M. Drury, president, told the shareholders at their annual meeting.

"We are living in hopes that the railways will finally decide to adopt their long-discussed five-year plan of buying equipment, that we will be favored with additional orders at an early date," said Mr. Drury. Current orders were reported near completion.

The president reported orders for aeroplanes and aeroplane equipment for foreign governments amounting to over $2,150,000.

Mr. Drury called attention to repudiation by the German government of the Munich agreement which settled war claims affecting the company. A new proposal made by Germany was now under discussion.

W. A. Eden, president of Dominion Rubber Co., was elected a director of the company.

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Wines for Christmas

Industry Making Strides in Scientific Efforts to Improve Canadian Product

By **A. D. ELLWOOD**

Staff Writer, The Financial Post

In an increasing number of Canadian homes Canadian wines this year play their part in holiday festivities.

Preparing for the Christmas trade the wineries have just completed their heaviest shipments of the year which they hope will create a record.

Prohibition gave native wine its first real impetus but was nearly fatal to the industry. The poor quality, the lax standards of the lush days when wine alone escaped the legal bars of the dry laws, have left recollections which still injure the industry.

Rapid strides have been made in improving quality. Scientists are ever alert against the danger of "acetic infection"—the threat of a winery becoming a vinegar works. Sterile cleanliness and accurate control of sugar and yeast content and temperature are the chief weapons in the constant effort to improve the quality of Canadian-made wines. The industry now goes farther than this. It is steadily reaching out to improve vine culture methods and provide a grape which will compete with the vineyards of Europe.

The industry suffers from the problem of names. It makes champagne type wines, sherry type, port type—almost every type. So far it has not made a definite Canadian type that would be marketed to advantage under its own colors. France has several times tried to insist that it held exclusive right to the names of its own wines and this insistence is seen in the recent renaming of Canadian Sauternes, which now appear on the list as Canadian Medium Dry White. If this practice is to be followed the industry will need to develop a flair for names. Imagine drinking a beverage labelled medium white sparkling.

Industry Dates to 1860

The native wine industry in Canada dates back to about 1860 and T. G. Bright, whose name is perpetuated in the largest single unit in the Canadian industry, is generally credited with making the first Canadian wine on a commercial scale. Progress of the industry, however, was slow until 1916. During the prohibition in Ontario and other provinces, the demand became so great there was neither the opportunity nor the incentive to make wine with great care.

Wine made in October was sold in December before it had time to show its defects. Grapes were purchased by the ton regardless of quality. Yield per acre was the sole aim of the grape grower. Grape pulp was allowed to ferment by the wineries, with yeast added in a hit or miss fashion. Objectionable flavors naturally developed but these were disguised by various means according to the makers' preferences. This wine naturally did not keep well and wine makers used preservatives, such as benzoate of soda. As high as 500 gallons of wine might be made from a ton of grapes, whereas present government regulations limit the winery to 250 gallons of wine per ton of grapes.

An important factor in the adoption of scientific methods by wineries was the enforcement of pure food laws. Preservatives could no longer be used and makers had to depend on the wine itself to provide its own flavors.

Ontario Centre of Industry

Ontario is the centre of the native wine industry and by far the greater portion of all wine made comes from grapes grown within a few miles of Niagara Falls. In 1935, for example, out of 50 establishments in Canada, 42 were in Ontario, six in British Columbia and one each in Saskatchewan and Quebec. That year the industry had a gross value of production of $3.2 millions, of which $2.8 millions came from Ontario. It had a total capital investment of $7.3 millions, with $6.3 millions in Ontario, and employed 621 workers.

Three plants, all in Ontario, accounted for a production of $1.4 million, almost half of the total.

As might be expected, grapes are the largest item of raw material going into the production of wine. In 1935, for instance, 7,974 tons of grapes, valued at $366,131 were used, closely followed by 4,294 tons of sugar costing $328,546. Production of wine from loganberries is carried on in British Columbia and the 358 tons used in 1935 were valued at $40,814.

In spite of the substantial amount of wine made and sold, Canada is not a wine drinking nation. Consumption per capita in South Africa, for example, is more than seven times as great as in Canada, while in France it is 250 times as great. Canadian tastes more closely parallel those in the United States where wine consumption is making rapid strides. United States estimates for 1937 indicate an increase of 165% over 1934 and 40% over the high pre-war level, which wineries like to refer to as the "good old days." The apparent Canadian consumption has fluctuated as follows:

Apparent Consumption of Wines in Canada
Years Ended Mar. 31

	Native Gal.	Imported Gal.	Total Gal.
1937	2,693,456	472,711	3,166,167
1936	2,605,602	506,707	3,112,248
1935	3,187,504	540,049	3,727,553
1934	2,679,619	518,083	3,197,702
1933	2,478,387	684,037	3,162,424
1932	3,337,556	900,241	4,237,797
1931	3,408,973	1,071,324	4,480,297
1930	3,920,261	1,215,265	5,135,526
1929	2,770,117	1,139,565	3,909,682
1928	2,171,887	1,130,690	3,302,577
1927	1,482,686	882,536	2,365,222
1926	1,182,775	734,349	1,917,124
1925	806,846	705,964	1,512,810
1924	922,715	507,585	1,520,300
1923	528,355	356,610	884,965
1922	409,913	383,414	793,327
1921	242,319	712,032	954,393

Greatest volume of grapes grown in the Niagara Peninsula are either Concord, a blue grape, or Niagara, a white variety. Neither of these is particularly well adapted for wine making and it has taken long research to develop methods by which these grapes can be made into a good beverage wine. Generally it is these two varieties that go into the making of ports and sherries and the lower priced wines. Other varieties , such as Delaware and Catawba, are better adapted for wine making.

In 1937 growers received $40 a ton for blue grapes and $50 a ton for white grapes with higher prices being paid for selected varieties. A high yield is considered to be around three tons per acre. Prices are set by a government board working in co-operation with the growers, the Ontario Liquor Control Board and the wineries.

General Classifications

Wines may be classified in two general ways. If measured by the sugar content they are labelled "sweet" when the sugar content is 2% or more, or "dry" when the sugar content is less. Port and sherry, for example, are sweet wines, while champagne and sauterne would be termed dry wines.

Another classification labels champagne and burgundy sparkling wines and claret and sauterne still wines.

Employees of a winery look for two peak seasons each year. The first comes in September and October when the grape harvest is on and every effort must be directed toward handling the crop in the short period of about a month. The next peak season comes in December when the holiday season brings shipments and sales to the highest level of the year.

From the time that the farmer delivers his grapes at the winery unloading platform, the task of the wine maker begins and his job becomes the key position in the plant.

In making sweet wines, such as port and sherry, the first step is to crush the grapes in a roll crusher. As it is from the skins of the grapes that the wines obtain their color, the varieties must be kept separate. Crushing must be done carefully. If the pips, or seeds, are broken an undesirable flavor is given to the wine. From the crusher, the pulp is pumped to large vats, containing perhaps 20,000 gallons, for the initial fermentation lasting about 72 hours.

Here the wine maker's art reaches its peak. Yeast must be added to hasten the fermentation and the yeast plant to a wine maker or wine chemist is something like a tempermental child. Each wine maker has his own formula for nurturing and multiplying the yeast and his formula is a jealously guarded secret.

Effects of Rain

In his laboratory the wine maker carefully rears generation after generation of rapidly multiplying yeast plants in a sterile medium. The particular strain to give the kind of fermentation desired is added and much can be done through careful selection of yeast to overcome variations in grapes caused by such uncontrollable factors as the soil on which they were grown or the amount of sunshine during the ripening season. A rainy season produces a grape crop that will give a large tonnage but lack of essential sunshine will mean that the sugar content, on which so much of the fermentation process must feed, will be smaller.

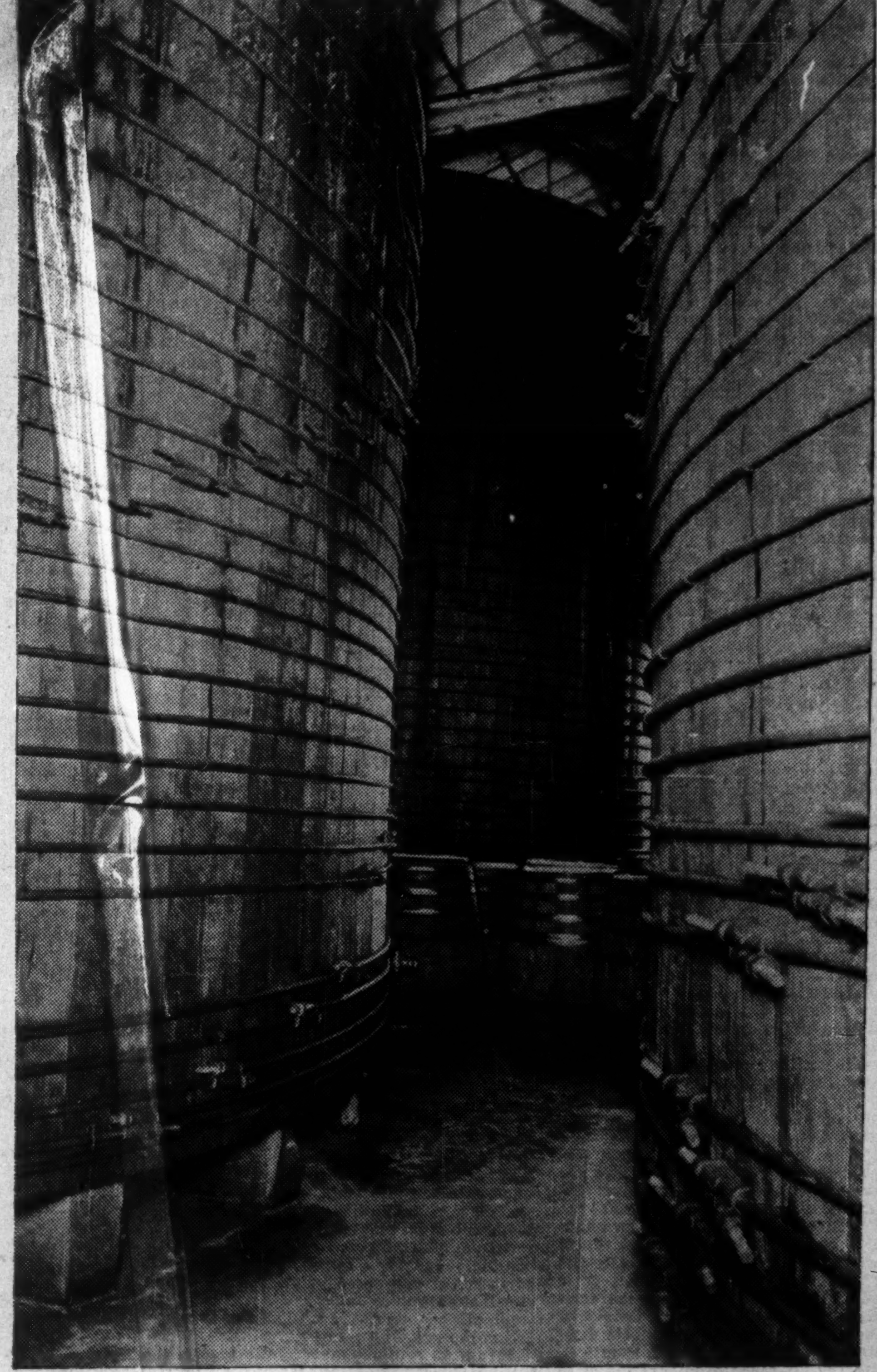
Rapid fermentation continues in the initial stage for about 72 hours when the temperature of the must will rise from about 68% deg. to a maximum of about 90 deg. but must not be permitted to exceed this temperature. Then the fermented juice is strained from the pulp and goes to the new wine receiver.

The new wine then goes to the mixer and from there to large wooden closed fermenters. Here slow fermentation continues for several months at a temperature of from 60 deg. to 90 deg. with or without the addition of more yeast.

After fermentation is completed the wine is pumped into large wooden vats holding 50,000 to 60,000 gallons where it remains for years at a temperature of around 65 deg. Ordinarily Canadian wineries keep their wines ageing in these vats for at least two years but much of it is five to 10 years old before being offered for sale. Ageing is essentially a mellowing process and has more influence on the flavor of the wine than anything else.

When it has reached the desired age the wine that is to be fortified is pumped to the

(Continued on page 13)



—Photo, Canadian Wineries, Ltd.

Ageing wines, a slow, careful process.

Ontario's Power Giant

Public Ownership Project Completes 30-Year Cycle With Resumption of Quebec Purchase

Public attention is turned these days on Ontario's problem of power supply and distribution. One major reason for this is recent conclusion of new agreements with Quebec power companies, ostensibly solving for some years the Ontario Hydro Commission's problem of obtaining sufficient power to meet its requirements. Another is the controversy between the premiers of Canada, Ontario and Quebec over the question of power export and power development of international waters. Thrown into relief by the situation are fundamental issues bearing on the net achievements and future outlook for the Hydro venture in public ownership. In this issue The Financial Post presents the first of a series of articles weighing these issues and analyzing the chief phases of the enterprise.

Ontario's great undertaking in development and distribution of power under public control has completed a 30-year cycle.

As it was for 10 years after its inception Hydro is again dependent on the purchase of power developed by private enterprise.

The basic plan of Hydro has always been the full development of Ontario's water power resources and distribution of electricity on a service at cost basis. Hydro would seem to have obtained its objective of reasonably efficient distribution of power through co-operative public ownership.

At the present stage of Hydro's history these questions are important:

1. Who runs Hydro? Does it function as a co-operative municipal enterprise, as an independent trusteeship, or is it essentially a department of the provincial Government?

2. Is Hydro free of politics or is it fair game under the spoils system and run by provincial politicians for partisan aggrandizement?

3. Have benefits to industry and the general public been greater than could have been obtained under private enterprise?

4. What are the present status and future outlook for Hydro, as to political control, general policies and methods of operations?

Municipal Control Lost

With increasing momentum with the passage of the years, the success of Hydro to function purely as a co-operative, municipal enterprise has been the subject of intensive dispute. Particularly during the past dozen years, there have been insistent voices to declare that Hydro has completely jettisoned the concept of an autonomous, cohesive system of municipal groups collaborating to give economic service free of political control.

Almost from the beginning, the municipalities have been thrust into control solely of the local distribution field of the Hydro system as a whole. Even there, they are not entirely independent, for their rate structures and other matters are subject to supervision of the Ontario Hydro Commission. As to the development and primary transmission of power, they have no more say as to policy or operation than would a private retailing enterprise dealing with a private power company.

Thus there has tended to be a divorcement, in actual practice and in public understanding, between the municipal distributing units and the developing and transmission unit, the Ontario Hydro Commission. When the phrase "the Hydro" is used in Ontario in any but a local sense, it rarely if ever refers to the plant-to-customer system as a whole, but to the Commission. Instead of being trustees, acting on behalf of municipalities to obtain power and deliver it to them, the Commission has become primarily a wholesaling enterprise to which the municipalities are bound solely by contractual obligations.

Obligations Only Shared

In short, the municipalities co-operate in the sharing of costs and obligations, but not in direction of operations or shaping of policies. At times members of the Hydro Commission have been appointed as representatives of the Ontario Municipal Electric Association, composed of representatives of Hydro municipal bodies, but there has been little, if any, evidence that they have functioned to assert the expressed views of the municipal group.

Having shaken itself free of municipal participation in control, the Commission might still have remained an independent body primarily serving the interests of supporting municipalities, and secondarily subsidized rural areas and large industrial customers. That this was possible for at least a time was shown by the domination of the Hydro for nearly 20 years by Sir Adam Beck, dynamic, if ranting, apostle of the Hydro gospel and first chairman of the Commission.

When he passed from the scene, Hydro fell to an increasing degree under the control and even direction of the provincial Government. The municipalities receded still farther into the background. To a certain extent, successful exertion of government influence was inevitable—certainly without a man like Beck—because of the statutory supervision established under the "checks and balances" theory.

One Man Government

Beck, a quiet cigar manufacturer, became an evangelist of flaming zeal when he took on the job of putting over "public power" in Ontario. The fervency of his following made him proof, for many years, against interference from higher up. He was a one-man government outside the elected government and brooked interference or opposition from no man, no matter how high his estate.

It was Premier Ernest C. Drury who first insisted upon the responsibility of Hydro and its officers to the Government, thus reversing the former rôles of Beck as boss and the cabinet as the men who took the orders. Drury stopped Beck from networking obsolete electric railways all over Ontario, and probably from bankrupting the province.

Since then Hydro has never been quite outside the range of governmental domination.

Invested with the power to appoint the commission, the Provincial Government must appoint a cabinet member as one commissioner, and may appoint all three commissioners from the cabinet. Having advanced most of the capital investment of the commission and guaranteed the rest, the Government has a natural right to supervision. In addition, it enjoys a specific regulatory authority over major financial commitments of the Hydro.

Even with this major financial interest and legislative supervisory control—held to a minimum by the aggressive Beck—the Government could still have kept the exercise of its authority short of political control. Failure of succeeding governments to keep within the limit would seem sufficiently indicated by the vigorous and continuing controversy on the point, but there have been enough incidents to establish the trend on a reasonably firm foundation.

Political Domination

With particular reference to Hydro, the test of whether or not it is under political control and the quasi-departmental domination of the government in office, would seem to depend on two main questions:

1. Are major policies and undertakings of Hydro initiated or molded to an important degree by the Government, beyond an extent justified by the function of Government as Hydro's banker?

2. Is there Government and party patronage interference with the staffing and operations of Hydro?

On the second point, there is ample evidence to support the assertion that the appointment and changing of commissioners and chief executives have been dictated at least partly by political considerations. And in the past eight or ten years there have been persistent reports in circulation that political influence has counted in filling subordinate positions.

That the answer to the first question is also "yes" may be substantiated by taking the Quebec contracts as an example. There were strong political overtones, to say the least, in all phases relating to these contracts—negotiation, conclusion, cancellation and renewal.

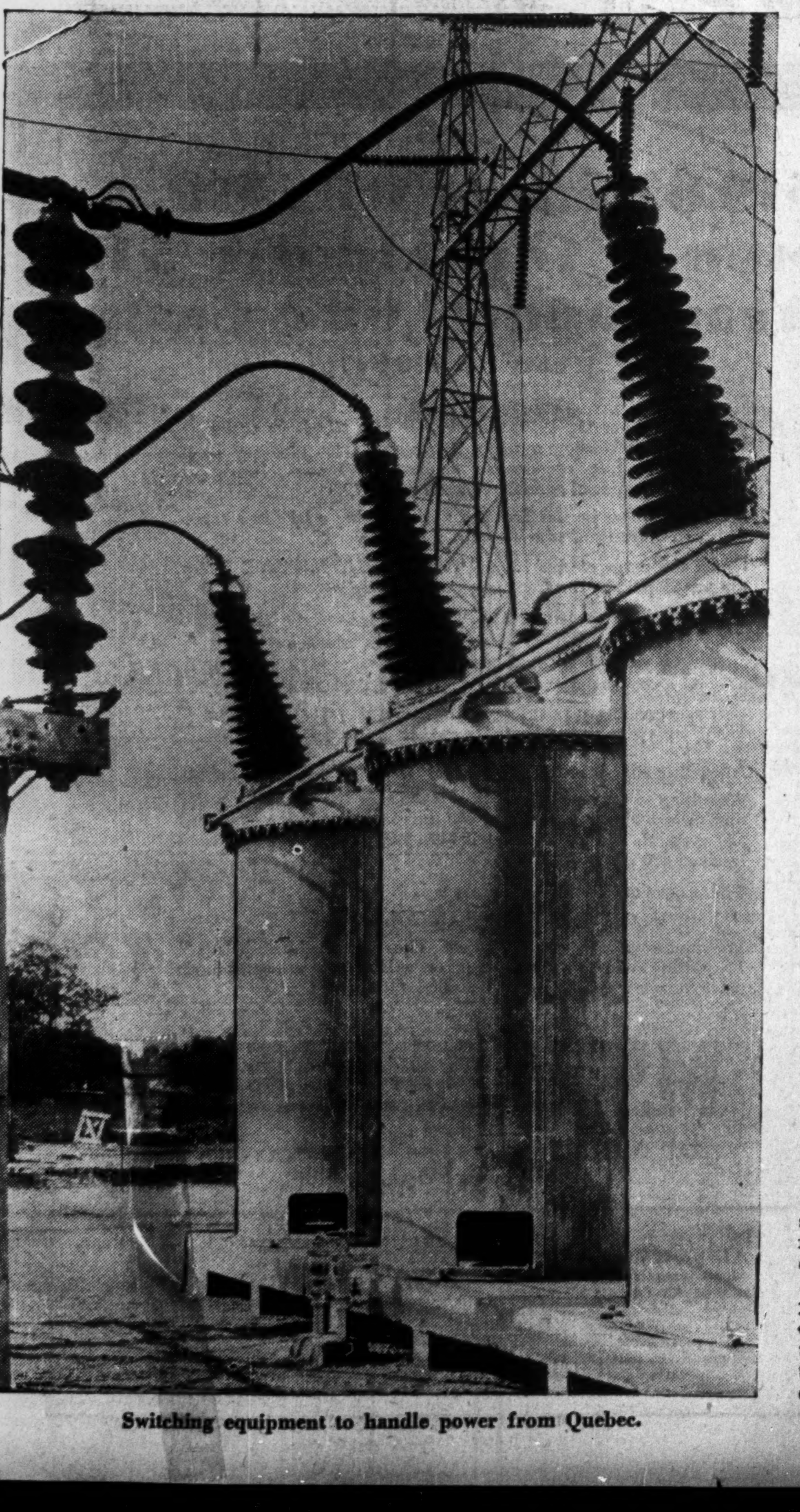
Public Ownership Yardstick

Regardless of whether policy and operations "hew to the line" of original conception Hydro has grown to be the world's largest publicly-owned power system, and rivals the giants among privately controlled operations from the viewpoint of population served, territorial scope of development, and volume of power distributed under unified control.

It has become to a large degree a continent-wide measuring unit of the soundness of public ownership. Because of its existence, Ontario is periodically the focal point of disputes as to the comparative validity of public or private control of industrial enterprise.

From an early position in which Hydro paralleled and often fought in competition with private enterprise, the system now enjoys a virtual monopoly in Ontario of power generation and distribution facilities. There are still some areas in which private power companies serve industrial or domestic consumers and some large industries find it economic to generate their own power supplies. But the percentage of such private power is negligible in comparison with the volume generated by the Ontario Hydro Commission and distributed by municipal utility bodies.

The peak load of primary and secondary power distributed by the Commission last year was 1.6 million horsepower, and this year will be approximately 1.7 million horsepower. These totals include both generated and purchased power. Municipal areas served, only 12 when power deliveries began in 1910 and 263 in 1920, last year had grown to 782. Of these 390 are urban centres, including 27 cities and 95 towns.



Switching equipment to handle power from Quebec.

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Great Lakes Paper

Is Great Lakes Paper covering full interest and dividend requirements at present? Is the plant operating at capacity?

Great Lakes Paper Co. has recently reported that volume has been well maintained throughout the 1937 year. It is believed net profits will be more than sufficient to cover dividends on the outstanding classes A and B preference shares. Net profit for the six months ended June 30, 1937, was $116,991. Interest on the 5% first mortgage bonds was postponed, so far as the payments due Oct. 1, 1936, and April 1, 1937, were concerned, but regular payments were resumed on Oct. 1 of this year. Arrangements were made with the Dominion Bank whereby bondholders could obtain full interest payments for deferred coupons. Capacity operations have been maintained and the increase in price of newsprint to $50 a ton for next year will improve the company's outlook. The company, when reorganized in 1935, obtained contracts for newsprint from some 25 publishers in U. S., who guaranteed to take a minimum of 67,500 tons for ten years. The balance of the company's 100,000 tons annual capacity is sold through a tonnage agreement with another company.

Distillers-Seagram

Would you please let me have any information you can give me on Distillers Corp.-Seagrams, Ltd., common stock?

Distillers-Corp. Seagrams, Ltd., report on earnings for the year ended July 31, 1937, showed a net profit available on the common of $6.9 millions, equal to $3.95 a share. This compared with $2.41 a share in 1936 and $5.05 a share in 1935. For the quarter ended Oct. 31, 1937, the company earned $1.25 a share, as against $1.07 a share in the corresponding three months of 1936. In the past it has been the policy of the company to utilize its surplus earnings toward building up an adequate supply of alcohol to take care of its expansion programme. At the end of the last fiscal year it had approximately 73 million gallons in storage. At this level, the inventories are considered sufficient for normal needs and it is believed that the policy of the company in future will be to limit manufacture to the replacement of stocks as sold. As a consequence, dividends on the common were resumed after a six-year lapse with the declaration of a dividend of 50 cents a share payable on Dec. 21. It is believed that the company will maintain this rate on a regular quarterly basis.

Catelli Food

As a subscriber of The Financial Post, I would like to have your views on Catelli Food Products.

Catelli Food Products, successor to Catelli Macaroni, has strengthened its position in the last two or three years. Net profits for 1936 amounted to $66,657, equivalent to $1.67 on the new preferred and 80 cents a share on the new common.

The net profit figure was the highest since 1929. Rise in the cost of raw materials has added to the company's earnings, while the larger volume of business has reacted favorably on overhead charges.

Dominion Steel

Some business friends of mine have recommended the purchase of Dominion Steel and Coal B stock. Would you let me have a report on this security.

Dominion Steel and Coal Corp. is finishing one of the best years it has ever had. Operations have been maintained at practical capacity throughout the year and it is anticipated that the company will show reasonably good earnings on class B shares. Further the company has sufficient business on hand to keep steel operations at or near capacity over the next 12 months and the outlook for the coal industry continues favorable. While domestic steel business may drop off next year, company has a "cushion" in its export business to England. This should enable Dosco to operate the Sydney plant at a relatively high capacity during next two or three years. On the whole outlook for company is very favorable, but there does not appear to be any reason for anticipating a dividend on class B shares in near future. While the company's position is much stronger, still it will probably be the policy of the management to build up adequate working capital position before making any distribution to equity holders.

Power Corp.

Will you kindly let me have your opinion on the 4½% debentures of Power Corp. of Canada. I would like to know if these bonds are well secured and paying interest.

Power Corp. of Canada 4½% debentures, maturing in 1959, are well secured both as to equity and earnings. At the end of the last fiscal year, June 30, 1937, the equity back of all debentures was $2,945 for each $1,000 par value of debenture outstanding. Interest charges during the year were earned 3.02 times. In the last seven years the lowest ratio between earnings and interest charges was 1.81 times. This was established in 1932. Since that time there has been a consistent increase in earning power. The management have maintained all obligations in connection with these debentures and in the last seven years have redeemed a substantial amount. In 1931 company had outstanding $12,673,700 of both the A and B debentures, while at the end of the 1936 fiscal year, amount had been reduced to $10,018,200.

Beauharnois

Will you please let me have your views on the common stock of Beauharnois Power Corp.? Now that the Hydro contract situation has been cleared up, will the company pay a dividend on the common stock?

Beauharnois Power Corp.'s position has been improved as a result of recent contract arrangements made between company's subsidiary and the Hydro-Electric Power Commission of Ontario. Under the new agreement, company is assured of sufficient revenue to pay interest charges on its funded debt. When full deliveries are being made to Ontario Hydro, it is anticipated that company will have a surplus of about $600,000. Added to this is possibility of refunding of Beauharnois Light, Heat and Power Co. first mortgage bonds, which would effect a saving, if financing were done on a 4% basis, of another $600,000. This "surplus" would, under ordinary circumstances, be applied to depreciation reserve. It might be used for dividends on common stock, but this does not appear likely. As far as the common stock is concerned, there does not appear to be any reason for expecting a dividend for some years to come.

Int. Bronze Powders

Will you please let me have a report on International Bronze Powders? I would like to know something about the earnings and dividends on both the preferred and common stocks.

International Bronze Powders is a holding company which, through its subsidiaries, is engaged in process of making bronze and aluminum powders and other items connected with the use of bronze powders. It has plants in Canada and United States, with sales offices in all parts of the world. Combined earnings of operating subsidiaries after depreciation and taxation, available for payment of dividends, amounted to $404,581 in 1936, compared with $351,217 in 1935 and $302,740 in 1934. At end of last year company's balance sheet showed current assets of over $1.4 million and current liabilities of over $337,846. There has been a consistent increase in net working capital during last four years. Regular dividends have been paid on the preferred stock. Dividends on common have been increased from 25 cents a share quarterly in 1935 to 37½ cents a share quarterly this year. A participating dividend of 25 cents a share was paid on both preferred and common shares on June 1 last.

Consolidated Paper

Our feeling is that paper stocks are going to be among the winners in 1938 and we would like to have your opinion on Consolidated Paper.

Consolidated Paper Corp.'s financial statement for 1937 is expected to show a definite improvement in earning power and financial position. In view of larger production and better price prevailing for newsprint this year, the report should show a healthy gain in income. As a result of agreement reached with bondholders a short time ago, cash interest payments on bonds do not start until after July 2, 1939. In the interval the company will likely use surplus income to reduce its indebtedness to banks and for further improvement of plant and equipment. At end of last year Consolidated Paper owed banks over $8.5 millions, which represents a considerable reduction from amount owing at time company was formed to take over the old Canada Power and Paper Corp. As far as common stock is concerned, company will not pay any dividends until interest payments are resumed in cash.

International Paper

Would you kindly let us have a report on the outlook for International Paper.

International Paper and Power Co.'s financial statement for this year is expected to show income available on capital stock of between $9 millions and $10 millions. This is substantially in excess of dividend requirements on preferred stock. Next year earnings are likely to be affected by drop in revenues from kraft paper division. The higher price for newsprint may offset this expected decline, though it is a little early to make any definite statement. If business in United States recovers in first half of year, company should bring out a satisfactory statement for 1938. Meanwhile company has placed preferred stock on paying basis, but it is still $2.50 a share in arrears. It is anticipated that company will pay next quarterly dividend on preferred, but such action will likely depend upon business outlook.

Imperial Tobacco

I would like to have your report on the common stock of Imperial Tobacco.

Imperial Tobacco dominates the Canadian tobacco trade. The company controls over 70% of all tobacco business done in Canada. Its record over a period of many years has been a highly successful one and the stock is regarded as a prime investment medium. There is relatively little speculative interest in this security. At present the company is making regular payments of 40 cents annually and a bonus. The latter varies from year to year.

McColl Frontenac

I would like to have a report on the common stock of McColl-Frontenac Oil Co.

McColl-Frontenac Oil Co.'s earning power experienced a sharp decline last year, with result that it was necessary to reduce dividends to 10 cents a share quarterly from the old rate of 20 cents quarterly. Since close of 1936-37 year, company reports a definite improvement in earnings. Indications are that during current year present dividend will be earned by a comfortable margin. McColl stock has not had a very good market record. For some reason or other it is not a popular stock and it sells out of line in comparison with other oil refining and distributing companies.

Int. Petroleum

Please give me a brief report on International Petroleum, particularly with regard to future dividends.

International Petroleum Co. Ltd. recently reported a net profit equivalent to $1.81 a share for the year ended June 30, 1937, as compared with $1.65 in the preceding fiscal period. Dividends have been paid for the past two years at $2.50 a share, resulting, in the last period, in a deficit of around $10 millions. The company still has a large surplus account and exceptionally strong working capital position. It might also be considered that a portion of the write-off for depreciation and depletion does not involve actual losses in these assets, which are only shown on the balance sheet at approximately one-third of total book value. In spite of paying out dividends much in excess of actual earnings last year, the company showed a working capital increase of about $600,000. No indication has been given that the company will change its present dividend policy and it stands to benefit substantially from any increases in world petroleum prices. Its operations are carried out mostly in Colombia and Peru where it has refineries producing refined gasoline and other petroleum products for sale in South American countries. The greater proportion of the crude petroleum produced, however, is sold in world markets.

Can. Bread 1st Pfd.

What is the record of Canada Bread first preferred stock in regard to dividends and earnings?

The 5% first preferred of Canada Bread Co. is now selling at about $97 where it gives a yield of 5.1%. Dividends were formerly noncumulative at the rate of $7 per share and were paid regularly up to 1933. No payments were made in 1934 or 1935. The rate was then changed to 5% cumulative and dividends have been paid regularly at the new rate. Net profits were more than twice preferred dividend requirements in each of the two latest fiscal years. The dividend rate automatically increases to 6% in July, 1941, under provisions of the 1935 reorganization.

There is a balance sheet equity of $172 behind each first preferred share. Business has shown a steady improvement during the past two years and the company has been able to reduce dividend arrears on the class B stock. The latter stock is junior to the first preferred.

Rogers-Majestic

What are the dividend prospects for Rogers-Majestic Corp.?

There does not appear to be any likelihood of dividend payment on Rogers-Majestic Corp., Ltd., stock in the near future. Earned surplus on March 31, 1937, the end of the company's ninth fiscal year, amounted to $15,748. While this is a contrast to the deficit shown in each of the previous three years, it is still too small to permit the payment of dividends and the management will undoubtedly want to build up a stronger reserve position before distributing profits. Earnings have improved steadily in the past five years, attributable to an increased volume of business and economy of operation. Business during the first seven months of the current fiscal year has been somewhat better than in the corresponding period of 1936, but it is too early to make any definite estimate of probable earnings for the complete fiscal year.

SEAGRAM PRESIDENT

Joseph Edward Frowde Seagram, Waterloo, Ont., who has been elected president of Joseph E. Seagram & Sons, Ltd., a wholly-owned subsidiary of Distillers Corp.-Seagrams, Ltd. Mr. Seagram is a director of Dominion Life Assurance Co., Waterloo Trust and Savings and other concerns.

National Steel Pays Dividend

Second Distribution Declared Since Payment Deferred in 1933

From Our Own Correspondent

MONTREAL.—National Steel Car Corp. has declared a dividend of 50 cents a share, payable Jan. 15 to shareholders of record Dec. 31. The same amount was distributed Oct. 15 from capital surplus, and was the first dividend since the 20-cent payment of January, 1933.

For the year ended June 30 the company had an operating profit of $374,452, as compared with $426,550 in 1936 and a loss of $228,201 in 1935. Earnings on capital stock for the 1937 fiscal year amounted to $1.24 a share, compared with 9 cents the year before.

At the beginning of October the Hamilton plant was operating almost at capacity on railway equipment. It believed that most of this business has now been cleaned up, but the company has a fair volume of other business on its books. It will be recalled that in November, 1936, the company received a trial order from the British Government to manufacture 520,000 25-pound shells. The outcome of this order has not been commented upon officially and it is not known whether additional orders have been placed with the company.

Defer City Gas Bond Interest

Need of Working Capital Cause of Action — Plan Raising More Funds

From Our Own Correspondent

MONTREAL.—City Gas and Electric Corp. passed interest on July 2 on the 6½% first mortgage bonds in order to supply capital to complete its development programme at Three Rivers. At present negotiations are under way which it is expected will result in providing the company with adequate capital.

City Gas was formed in 1931 and, through acquisition of Quebec Gas and Electric Corp., acquired a franchise to distribute gas in Three Rivers. In 1931 a plant was erected and distribution commenced in May of the following year. In December, 1932, the company acquired the Yamaska Power Co. and in March, 1933, Consolidated Utilities. In April, 1934, it acquired the Public Service Corp., operating the Waterworks Company at Ste. Therese, P.Q.

Efforts of the company have been directed toward the establishment of a gas distribution system in Three Rivers.

The last financial statement issued by City Gas, covering the year ended March 31, 1936, showed fairly heavy current liabilities and a deficit on income account.

Canadian Bronze Pays 50c Extra

Distribution for Current Year Largest Since Start of Depression

From Our Own Correspondent

MONTREAL.—Directors of Canadian Bronze Co. have declared a dividend of 37½ cents and an interim of 50 cents a share on the common stock, for the quarter ending Jan. 1, all payable Feb. 1 to shareholders of record Jan. 20.

With the declaration paid in April, 1937, the annual dividend rate on the common stock was increased from $1 to $1.50 a share.

Earnings of Canadian Bronze have shown a consistent increase since 1933, income on the common stock advancing from 68 cents a share to $2.08 a share in 1936.

In view of the general maintenance of railway traffic, which implies a continuation in demand for the company's products, expectations are that the report for 1937 will show earnings on the common of well over $2 a share.

Eastern Light & Power Merger Vetoed by Board

From Our Own Correspondent

MONTREAL.—Nova Scotia Board of Public Utilities has disallowed the proposed merger of Dominion Utilities Co. and Eastern Light & Power Co.

The Board dismissed the petition of Dominion Utilities for approval of sale and transfer of its electrical equipment to Eastern Light, which at present holds all the issued capital stock of the petitioner.

How to Profit from the Figures — 6

Where Does the Money Go

Company's Income Of First Interest To the Investor

This is the sixth in a series of articles on the reacting of financial statements. The seventh, dealing with earnings as related to security values, will appear next week.

A shareholder or bondholder takes greater interest in a company's income, or profit and loss, account than in any other portion of the annual financial statement.

And why not? It is from the income account that the answer should come to questions of payment or nonpayment of interest, dividends and bonuses to investors.

Unfortunately, and despite what improvements have been made in company laws, many firms continue to publish income statements that are confusing. As in the Mutt and Jeff cartoon, where the druggist has inverted the label on the medicine bottle, the shareholder sometimes feels that he has to stand on his head to read an income account. It is easier, however, to turn the thing around and read it without the gymnastics.

Dominion Act

The nearest to what might be considered model income accounts in Canada are those of companies regulated by the Dominion Companies Act which was greatly improved by revisions in 1934 and 1935. Under Dominion law, companies must show in their annual income accounts the following separate items:

1. Net operating profit before depreciation, obsolescence, depletion and income taxes.
2. Income from investments.
3. Non-recurring profits and losses.
4. Amounts written off for depreciation, obsolescence and depletion.
5. Amount written off for goodwill or amortization of any asset.
6. Interest on funded debt.
7. Reserve for Canadian income taxes.
8. Remuneration of directors.
9. Remuneration of executive officials.
10. Legal fees.
11. Balance of net profit or loss for the period.

The importance of showing charges for depreciation, depletion and obsolescence separately, either in the actual income account, or as a footnote to the income account can hardly be overstressed. As an example:

Amalgamated Co.

	1937	1936
Operating profit	50,000	65,000
Less: Depreciation	10,000	25,000
Net operating profit	40,000	40,000

The True Picture

It can easily be seen that if the net operating profit were shown after depreciation allowance, it would appear that the Amalgamated Co. had done as well in 1937 as in 1936; whereas the obvious truth is that the maintenance of earnings was due largely to deducting a smaller amount for depreciation.

Circumstances often justify, or even demand, changes in the amounts deducted from income for depreciation reserve. For instance, in one year a company might install expensive machinery of short life and should therefore increase the year's deduction for depreciation. But sometimes the size of the depreciation reserve appears to be altered, at least in part, so as to show net profits sufficient to cover such items as preferred dividends.

Recognizing that depreciation charges do not always cost a company an actual outlay of cash, it is nevertheless important for the reader of financial statements to keep an eye on the amounts deducted from earnings each year on this account. If the portion of income that goes for depreciation is inadequate, or if it is subject to wide changes in the income accounts over the years, the investor should be on guard. While they may not signify financial weakness, such circumstances cannot be regarded as encouraging.

Very often it will be found in financial statements that the amount of income that is labelled as going into depreciation reserve is reflected directly in improvement of working capital. Or it is sometimes found that the income taken for depreciation reserve is really invested in redemption of bonds. Both are natural phenomena in financial statements, and are to be regarded as healthy developments.

The revelation of income from investments is sometimes a most valuable clue to the real worth of a company's holdings of securities.

The annual income tax reserve can be used by investors as a check on the taxable net profits. Since the rates of corporate income tax are well known, it is not difficult to check back the company's income statement for comparison with returns to the Government.

Disclosure of information about directors' fees, legal fees and executive salaries has had some value for the investor. There is an unfortunate tendency in some cases for such disclosures to invite unwarranted criticism of capable officials, but on the other hand the investor receives some protection from excessive salaries and bonuses.

A most important provision in Dominion law concerns cases where accounts of subsidiaries are not included in the financial statement of a parent company. In such cases, the company's auditors are obliged to state how the profits and losses of such subsidiaries have been dealt with. It must be stated to what extent provision has been made for such losses.

Calculating Earnings

Besides the income account, which must show the final net profit or loss for the year, a company under Dominion law must show a statement of surplus. Separately, there must be shown capital surplus, distributable surplus and earned surplus, at the beginning of the year and at the close, with a record of any adjustments during that time.

The surplus items often provide the means by which income accounts are inverted, or partly inverted, to the confusion of the investor. Examples of how the inverted surplus account can readily be turned around for clarity follow:

Surplus Account—Inverted	
Earned surplus, June 30, 1936 ..	$100,000
Net profits for year	50,000
	$150,000
Dividends paid on pfd. stock	49,000
Earned surplus, June 30, 1937 ...	$101,000
Surplus Account—Clarified	
Net profits for year	$ 50,000
Dividends paid on pfd. stock	49,000
Earned surplus for year	$ 1,000
Add: Earn. surplus, June 30, 1936	100,000
Earned surplus, June 30, 1937 ...	$101,000

Such elementary changes serve to show whether dividends are really earned in the year or drawn from the previously earned resources.

Usually the principal changes in surplus accounts are in earned surplus. Usually it increases, or decreases, by the amount of earnings Sometimes, however, the earned surplus is reduced by an appropriation to write down some intangible asset such as goodwill. Such entries do not mean a real loss of income or value to the company but simply serve to deflate the balance sheet.

It is not unusual for the reader of financial statements to puzzle over the precise location of the "earned surplus" in a company's accounts. What usually happens over a period of years is that as a company builds up accumulation of earnings they are invested in new buildings or machinery or go to increase working capital.

Surpluses and Dividends

In effect, the earned surplus represents the amount of accumulated profits that have been left in the business and reinvested in various assets. If such earnings have been put into plants, they are not really available for distribution to investors. Legally, however, the earned surplus can all be paid out, and the absence of any substantial surplus can be taken as a sign of inability to pay dividends unless special adjustments are made in the accounts.

The term "distributable surplus" refers mainly to accumulated profits of an acquired company which have not been drawn upon. It need not concern the investor unduly, unless such an account is used for distributions to shareholders in the absence of an "earned surplus."

The "capital surplus" is another term of dubious value to the investor. For practical purposes, the capital surplus may be regarded as an appendage to the capital stock, and as something that is not distributable to shareholders.

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$19.85 Brings Wife $10. a Month for Almost 31 Years and $1,000 Cash
[Policy No. 478,647]
ON September 1st, 1937, the manager of a telephone exchange in a Saskatchewan town, 29 years of age, obtained from The Mutual Life of Canada a $1,000 FAMILY INCOME POLICY. The semi-annual premium was $19.85.
Thirty days later he was drowned while crossing a lake in a canoe with two other men, who also lost their lives.
Under the terms of this Mutual Life FAMILY INCOME Policy the $19.85 paid to the Company will bring his widow
(1) AN INCOME OF $10 A MONTH, FOR 30 YEARS AND 11 MONTHS—to the time he would have been 60 years of age had he lived.
(2) ANNUAL DIVIDENDS DURING THIS PERIOD.
(3) $1,000 WILL BE PAID TO HER IN CASH AT THE END OF THE INCOME PERIOD.
Altogether she will have received $4,710 plus dividend additions.
According to the claim papers this is the only life insurance policy they owned. Had it been for $2,000 the widow would have received $20 a month and $2,000; had it been for $5,000 she would have received $50 a month and $5,000.
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Insurance

Loss of Life Damages Precedent for Canada

$1,000 Award to Estate for Loss of Car Victim's "Enjoyment of Life" May Boost Auto Insurance Costs

Higher and more frequent award for damages by the courts in automobile accident cases is seen as the likely result of a recent decision of an English court which has been sustained by the court of appeal, House of Lords. The case has already been cited in an Ontario court. Insurance companies, already suffering from much too low premiums for automobile protection, see the probable effect of this decision as additional reason for higher automobile premiums and for urging policyholders to take out public liability coverage higher than the $10,000 which is currently "standard" with Canadian motorists.

"It's cheaper to kill a man than to maim him," has until now been the cynical generalization of the insurance and legal world. The English court decision, however, alters the situation by ruling that the accident victim or his estate can claim monetary recompense for the "enjoyment of life" of which the accident deprived him.

Until this decision, there were two main grounds on which damages were claimed. (1) Pain and suffering and (2) loss of earning capacity. In both cases the estate of the victim if fatally injured might sometimes be granted compensation.

New Field of Appeal

This "right to the enjoyment of life" decision opens a new field for the appeal for damages. Now in addition to, or apart from, the other two grounds, a victim or his estate may be able to collect solely, or also, on the hypothetical enjoyment of life of which he was robbed.

The Ontario case (Major v Bruer, 1937) in which the English decision (Rose v Ford, 1937) was cited granted the victim $1,000 on the enjoyment of life clause, $400 for pain and suffering and out of pocket expenses. It was shown that the victim was 70 years of age, retired, but in excellent state of health with a probability of living another 10 years. After the accident he lived four days. Following the lead of the English court, the Ontario Appeal Court held that in addition to pain and suffering damages, the victim merited recompense for the years he otherwise could have expected to enjoy.

Take as example of the old situation this case. A retired businessman aged 69 was struck down by a car and died a fortnight later. The family was awarded small damages for the victim's pain and suffering and out of pocket expenses. They could go no further. It could have been argued that there was no loss to the widow in that the income on which she and her husband were living would now have to support only one, not two, and that she would be further ahead than before. It would also have been urged that the deceased was not earning any money.

Effect May Vary

Effect of the English decision will vary somewhat from province to province depending on the local statute governing the vesting of damages in the estate of the deceased.

Legal opinion also points out that damages under the "enjoyment of life" head should be moderate. In the first place it would be impossible for the courts to grant a sum equal to the money for which a sane man would sell the remaining years of his life. Secondly, the court would have to consider the individual case and scale down damages under this head in the case of an infant, an imbecile or one involved in hopeless difficulties.

The appeal court in the English case reduced the £500 damages originally granted the victim for loss of a leg to £22. They argued that the girl lived only four days after the accident and that the original grant was excessive for four day pain and suffering. They, however, added that £1,000 damages be granted for loss of enjoyment of life.

Appointments

National Life Assurance Co. of Canada announces appointment of **IAN M. WYLIE** as representative for Cape Breton district with headquarters at Sydney. He was formerly in charge of the Halifax and Eastern Nova Scotia district for the company.

Little Insurance Overlapping Seen

Manitoba Brief Suggests Clarifying Dominion-Provincial Rule

Government jurisdiction over insurance companies, frequently mentioned in some quarters as needing reform, was discussed in the Manitoba brief submitted to the Rowell Royal Commission, but small change in the present system was suggested.

"It would clarify the situation if the responsibility for supervision for solvency were definitely understood to be on the Dominion department (of insurance)" the brief stated.

Other than this, the brief had no changes to urge. Overlapping of duties it did not admit. "It is true," the brief stated, "that the province licenses and collects fees from the British foreign and Canadian companies as does the Dominion. The Dominion stresses the financial condition and administration of deposits. The province concentrates on supervision of agents, and contracts and in addition supervises insurance on provincial government buildings. A clear understanding as to the function of each government department exists. As to co-ordination of work, the Dominion insurance department gives a great deal of attention to the supervision for solvency of insurance companies. The Manitoba department does not duplicate the efforts of the Dominion department in this field."

Insurance Sales Down for U. S.

November Figures Show Drop of 3.9% from Last Year

New life insurance sales in United States for November were 3.9% less than for November of 1936, while the total for the first 11 months of the year was 4.9% more than for the corresponding period of last year, according to a report by the Association of Life Insurance Presidents.

For November, total new business was $681.3 millions against $709 millions during November, 1936—a decrease of 3.9%. New ordinary insurance showed a fractional decrease. Industrial decrease of 10.7% and group decrease of 2.1%.

For the first eleven months new ordinary insurance was up 5.5%., industrial down 2.1% and group up 33.6%.

B. C. to Move Warily On Health Insurance

From Our Own Correspondent

VANCOUVER. — Some form of health insurance will be adopted in British Columbia next year, but the Government does not intend to repeat its mistake of last spring when it attempted to put in force a measure that the medical men refused to recognize. Faced with this obstacle, the scheme had to be abandoned, although the health commission, under Dr. Allan Peebles, continued to function.

When the Government went to the country last summer it submitted a plebiscite asking for the opinion of the taxpayers on desirability of health insurance. Terms of the plebiscite were rather general, but a majority of the voters expressed themselves in favor of health insurance provided it was based on sound lines. The Government accepts this verdict as a mandate and intends to proceed accordingly, although it was unwilling to introduce a subject still pretty contentious during the short session of the legislature now drawing to a close.

The fact that the house passed all the appropriations for continuance of the health board was interpreted as a sure indication that the Government planned to do something about it at an early date. Hon. G. M. Weir, minister of health, who has been the chief sponsor of the legislation, is still determined to go ahead with health insurance and has won new confidence as a result of the house's voting his appropriations.

Health insurance is now supported in principle by nearly all factions in the legislature, although the Conservatives have made it clear that they are opposed to the present act. "Before we support an act we want to be convinced that it is practicable and will benefit the greatest number," says Dr. F. P. Patterson, leader of the Conservatives.

Former speaker, H. G. Perry, one of the most influential of the Government's supporters, made a significant speech when he warmly criticized the health commission for its undiplomatic handling of the situation with the doctors and its failure to make adequate preliminary plans before attempting to launch the scheme last spring.

Rural Fire Truck Protects Farmer

Farms Assessed by Acreage to Maintain Equipment

Investment of $3,500 in rural fire fighting equipment has in three years saved one insurance company $25,000 exclusive of losses prevented for individuals and other fire companies, Ontario Fire Marshal W. J. Scott recently told the No. 1 district Ontario Fire Insurance Association at Chatham, Ont.

Similar equipment in South Harwich has produced an almost equal result. It has cost farmers it served $1.29 per hundred acres. After five years when the fire truck is paid for, the cost per hundred acres will be reduced to 50 cents.

Only four rural areas in the province have such fire protection equipment, the fire marshal said, urging that similar units be secured in other rural districts.

The arrangement made where these trucks are in operation is that the township buys the truck which is garaged in the town. In return for use of the truck, the town mans the outfit. The truck can pump 250 gallons of water a minute. It carries 300 gallons of water to fight fires while suction lines are being connected.

Weakness of this fire protection system in most parts of Canada is the snow in winter and very limited amounts of water available. While main highways are kept open, side roads and lanes are still largely impassable for motor vehicles during the winter. The average farm well and cistern would likely be drained by a power pump in a few minutes, it is argued.

40-Hour Week For Metropolitan

The five-day, 40-hour week has just been inaugurated for all office employees of the Metropolitan Life Insurance Co., The Financial Post is informed. This new rule applies for staffs everywhere the company operates, and salaries remain the same.

In departments coming in contact with the public, skeleton crews will remain on duty Saturday morning. These will get compensating time off in the following week.

Montreal City Finances Gain

Half-year Report Reflects Big Improvement in Current Position

From Our Own Correspondent

MONTREAL. — Montreal's financial position as set forth in an interim statement for the six months ended Oct. 31 last, shows an improvement in its budget position; a reduction of over 50% in bank loans; a marked improvement in "working capital position"; a sharp advance in deferred revenue and a reduction of nearly $400,000 in net debt position.

Ordinary revenue during the six months period totalled $18,042,067 against which ordinary expenditure amounted to $17,677,328, leaving a revenue surplus of $332,527. During the previous six months there was a surplus on revenue account of only $12,755.

Special revenue for the period totalled $6,234,276, which was offset by special expenditures of a like amount.

Details of ordinary revenue and expenditure follow:

Ordinary Revenue Six Months Ended Oct. 31, 1937	$
General assessments	6,603,954
Water and business taxes	4,764,753
Sales and income taxes	2,629,485
Permits and amusements tax	566,282
Recorders court and traffic	102,702
Markets	136,496
Baths and comfort stations	17,028
Montreal Tramways	250,000
Montreal Power	150,000
Bell Telephone	75,000
Total	18,042,067
Ordinary Expenditure	
Administrative expenses	8,601,622
Interest, disc. & exchange	6,178,898
Sinking fund	1,210,007
Metropolitan Commission	213,000
Expropriations	235,589
Pensions and annuities	370,699
Misc. expend., judgment, etc.	202,051
Reserve for losses	614,273
Miscellaneous items	51,189
Total	17,677,328

Better Liquid Position

The consolidated balance sheet at the end of the last October shows current assets of $41,795,121, as against current liabilities of $21,273,969, leaving a working capital of over $20,500,000. At the end of April the current assets totalled $30,406,501 and current liabilities $26,416,628.

Examination of current assets as at Oct. 31, compared with April 30, shows a decrease of nearly $2.3 millions in cash on hand, an increase of $8.4 millions in accounts receivable, an advance of $5.9 millions in prepaid expenses. The declines in current liabilties is made up of a reduction of $7.3 millions in bank loans, $2 millions in advance taxes and $1.7 million in accounts payable. This improvement was partially offset by an increase of $5.9 millions in accrued interest and other charges.

Hiram Walker Sales Gaining

Maintain Upward Trend in Past 3 Months — Avoids Tax Duplication

Upward trend in sales of Hiram Walker-Gooderham & Worts continued in the quarter ended Nov. 30, 1937, stated W. J. Hume, president and general manager, at the annual meeting.

The company has continued its policy of advertising on a nation-wide scale. Expenditures for this purpose amounted to $2.3 millions in the 1937 fiscal year, an increase of approximately $500,000 over the previous year.

Adjusting Inventory

The problem of inventory requirements is being given close attention, Mr. Hume pointed out, and the manufacturing programme is adjusted from time to time to maintain the proper relationship between sales and whisky stocks.

In this connection, H. C. Hatch, chairman of the board, stated that average rate of operation at Peoria ws 76% of capacity, which was about the same as in the previous year. Production at Walkerville was almost doubled, being slightly over two million gallons. The company is consistently adding to its American and Canadian inventories to take care of additional sales volume.

Valuable New By-product

The research department, besides improving the quality of the company's products, is engaged in investigating the possibility of revenue from by-products. On recommendation of this department, a $450,000 plant is being constructed to extract the corn oil from spent grains, and this will bring additional revenue to the company.

Annual fee of directors was raised during the year from $450 to $2,000.

Weekly Statement Bank of Canada

Christmas shopping has likely been the main factor in the $2.2 million increase in the circulation of bank notes as revealed in the weekly statement of the Bank of Canada. Deposits of the Dominion Government are down some $6 millions and "other" deposits are up $1.1 million. Investments of the bank are down some $2 millions, the decline spread almost evenly between holdings of short and long Government securities.

Balance Sheet

Liabilities	Dec. 15 1937 $	Dec. 8 1937 $
Capital paid-up	10,100,000	10,100,000
Notes in circ.	160,433,922	158,213,988
Rest fund	743,716	743,716
Depos.: Dominion	20,932,248	26,233,040
Banks	197,811,398	197,387,464
Other	3,196,747	2,091,583
Total deposits	221,940,393	225,692,087
All other liabs.	4,830,188	5,134,165
Total liabs.	398,048,219	399,883,956
Assets		
Reserve: Gold	179,723,015	179,703,887
Silver bullion	2,737,450	2,737,450
Res. in sterling and U. S.	21,968,618	22,428,492
Other curr.	385	449
Total reserve	204,429,468	204,870,278
Subsidiary coin	69,153	103,559
Investments:		
Dom. govt. short	80,801,273	81,834,988
Other Dom. govt.	95,155,665	96,133,881
Other secs.	12,201,666	12,197,233
Total invest.	188,158,604	190,166,102
Premises	1,012,832	920,007
All other assets	4,378,162	3,824,010
	398,048,219	399,883,956
Reserve ratio	53.46%	53.36%

Staff Changes

The Canadian Bank of Commerce announces the following staff changes:

W. A. HAY, formerly manager at Lansing, Ont., to be manager at Collingwood, Ont.

H. L. ALLINGHAM, formerly manager at Swift Current, Sask., to be manager at North Winnipeg, Man.

H. G. HURLBURT, formerly manager at North Winnipeg, granted leave of absence prior to retirement on pension.

C. G. DOWSLEY, formerly manager at Canora, Sask., to be manager at Swift Current, Sask.

R. S. WILLIAMS, formerly manager at Collingwood, Ont., to be manager at Toronto, Danforth and Woodbine.

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	1937 Dec. 13	1937 Dec. 14	1937 Dec. 15	1937 Dec. 16	1937 Dec. 17	1937 Dec. 18	1936 Dec. 18
U. S. dollar, High	1.00 1/64	1.00 1/64	1.00 1/32	1.00 3/64	1.00 1/32	1.00 1/16	......
Low	1.00 1/64	1.00	1.00 1/32	1.00 1/32	1.00 1/16	1.00 3/64	......
1936, High	.99 31/32	....	.99 31/32	.99 7/8	.99 31/32	.99 31/32	......
Low	.99⅞	....	.99 21/32	.99 21/32	.99 21/32	.99 31/32	......
U. K. pound	4.99 31/32	4.99 31/32	5.00	4.99⅞	4.99⅞	5.00⅛	4.90¾
Australia	4.00⅛	4.00¼	4.00½	4.00¼	4.00¼	4.00½	3.91¾
Austria	.1894	.1894	.1894½	.1894½	.1894½	.1895¼	.1873¼
Belgium	.1700½	.1700½	.1700½	.1700¼	.1700¼	.1700½	.1691
Brazil	.0545	.0550	.0555	.0555	.0550	.0550	.0605
Czechoslovakia	.0351⅞	.0351⅞	.0351¾	.0351⅞	.0351¾	.0351⅞	.0351½
Denmark	.2231½	.2232	.2232⅝	.2232¼	.2232⅝	.2233⅞	.2192½
France	.0339⅝	.0339½	.0339½	.0339½	.0339⅝	.0339⅞	.0466¾
Germany	.4033	.4033	.4034½	.4034¼	.4032¼	.4033½	.4020¾
Greece	.0092	.0092	.0092	.0092	.0092	.0092	.0090
Holland	.5564	.5563	.5564¾	.5564¾	.5562¾	.5564½	.5470¾
Hungary	.1995	.1995	.1995⅝	.1995⅝	.1995⅝	.1996¼	.1978⅛
India	.3775	.3775	.3776⅛	.3775⅛	.3775⅛	.3776⅜	.3713½
Italy	.0526¼	.0526¼	.0526⅞	.0526½	.0526⅜	.0526½	.0525¾
Japan	.2913	.2914	.2914	.2914	.2913	.2914⅞	.2857¼
Jugoslavia	.0236½	.0236½	.0236½	.0236½	.0236½	.0236⅝	.0233¼
New Zealand	4.03¼	4.03¼	4.03½	4.03⅜	4.03⅜	4.03⅝	3.94⅞
Norway	.2512	.2512½	.2512¾	.2512¾	.2512¾	.2514⅛	.2467⅛
Poland	....	.1898½	.1899	.1899	.1899	....	......
South Africa	4.98¾	4.98⅞	4.99⅛	4.99	4.99	4.99¼	4.89¾
Sweden	.2577	.2577½	.2577¾	.2577¾	.2577¾	.2579⅛	.2531⅛
Switzerland	.2313	.2313½	.2314¼	.2314¼	.2313¾	.2314½	.2297¼
Hong Kong	.3122	.3123	.3126	.3126	.3125	.3126	.3055⅛

FIDELITY
Insurance Company
of Canada
TORONTO

Associated Breweries Pays Special Dividend

From Our Own Correspondent

MONTREAL.—Directors of Associated Breweries of Canada have declared a special common dividend of 25 cents a share, payable Dec. 22 to shareholders of record Dec. 15. This is in addition to the regular 20-cent quarterly dividend, which is payable Dec. 31, to shareholders of record Dec. 15.

Banking

Dunning 'Antidote' Hint Spurs Banking Interest

Bankers Puzzled By Suggestion of Action to Prevent Spread of U.S. Depression — Public Works Rather Than Bank Credit Move Seen

Will the new American depression hit Canada? If so, when and how hard?

"We catch all Uncle Sam's diseases," Canada's Minister of Finance Dunning recently observed. "But," he added, "there is what is known in business as a time lag and it is this lag which gives us a chance to see the antidote and apply it before the disease gets too far into our economic fabric. There is no evidence that the deplorable business conditions across the border are being reflected in our economy. I am painfully aware, however, of the impact of a country of 130 million people on a country of 11 million scattered throughout such a vast country as ours."

What antidote could Mr. Dunning have up his sleeve for economic disease? Canada did not have her Central Bank when the last depression struck, and control of the national credit is its major function.

The federal reserve system was functioning in the United States before 1929 and, in the opinion of many, badly botched its supposed duties when the time came to act. Right up to the crash, these banks which are entrusted with putting on the brakes and tightening up credit when necessary were whooping up the headlong Hoover happiness. The crash came. Only then did the Federal Reservists put on the brakes, precisely the wrong thing to do. That was the time for stepping on the gas, giving business all possible help in ploughing its way out of the mud hole.

No Central Bank Move

To date, Canada's central bank has done nothing, so far as is evident on the surface of its figures. Its statements show neither a restriction nor amplification of credit. Credit is, in other words, neither harder nor easier to get.

Varying the size of the deposits of the chartered banks with the Bank of Canada and the amount of Bank of Canada notes held by the chartered banks are the means whereby the central bank controls Canadian credit.

Both items vary weekly and for a variety of reasons, but comparing movement of these items this year with last year when the business outlook was bright and unclouded reveals nothing to indicate that the Bank of Canada has in any way so far affected the Canadian credit structure.

Holdings of Bank of Canada notes always swing up in the latter half of the year because of the wheat movement. Herewith is a table of chartered bank holdings of Bank of Canada notes as shown in the monthly statement, so far available.

(In Millions of Dollars)	1937	1936
October	48.9	44.3
September	53.7	47.0
August	50.1	38.0
July	43.6	36.0
June	43.4	34.9
May	43.7	34.2

Routine Changes

Main reason for the generally higher holdings of Bank of Canada notes this year than last is the requirement of the Bank Act that chartered banks retire a portion of their own notes each year, looking toward the time, some eight years hence, when 75% of the notes in circulation in Canada will be Bank of Canada, not chartered bank, notes. But this table indicates the third-quarter upswing that always comes during the wheat movement period.

A much more important factor in managing Canada's credit is the deposits of the chartered banks with the Bank of Canada. These are revealed in the weekly statement of the central bank.

(In Millions of Dollars)	1937	1936
December 15	197.8	193.8
December 8	197.4	201.6
December 1	200.8	208.5
November 24	217.8	194.0
October 23	181.7	175.9
September 18	180.7	170.8
August 7	178.4	186.7
July 10	189.8	189.5
June 12	190.6	190.5

Here, the significant thing is when the chartered banks have their year-end. Like every other organization, they like to turn out a good financial statement and show a healthy cash position. Their standing in the public mind is important to the Canadian credit and financial situation, and the Bank of Canada does not stand in the way. For this reason the statements show a sharp upswing just prior to the closing of bank books and a similarly sharp decline immediately after.

Easy Money

Apparent disinclination of the Bank of Canada to take any action so far is by no means surprising. For the present credit situation has virtually none of the characteristics of pre-depression conditions. Credit is very easy. Rates are low and there is far more money around wanting to get borrowed than there are takers.

Any action of the central bank extending credit would likely meet with little or no success if there is already more credit available than business will take.

What has the Government been doing in the United States? After a thorough survey, U. S. credit experts decided credit was easy, that business wouldn't take more at any price and that they would take no action in this field.

Well-informed observers, however, expect that resort will be had to credit manipulation during the winter. This would, they argue, take the form of release of more sterilized gold, use of the so-called "gold profit" or a revision downward of reserve requirements.

Conclusion of bankers as to the most probable "antidote" Mr. Dunning might have available for application to Canadian business to forestall or mitigate recession is a major public works and housing campaign in which the spending of millions of dollars would have a generally expansive effect on the whole business structure.

Weekly Bank Clearings

	Dec. 16 1937 $	Change Year Ago %	Dec. 9 1937 $
Halifax	2,809,945	+19.4	2,985,742
Saint John	1,811,905	+14.8	2,103,574
Moncton	820,250	— 8.4	911,932
Sherbrooke	774,069	+25.1	679,529
Quebec	5,725,653	+23.6	5,053,738
Montreal	123,627,240	+14.0	111,700,935
Ottawa	20,283,798	+19.9	44,680,820
Kingston	587,652	+10.3	660,071
Peterborough	689,156	+ 7.4	635,086
Toronto	111,365,600	— 3.1	128,765,306
Hamilton	5,249,276	+ 1.8	5,362,476
Kitchener	1,100,701	— 3.5	1,039,785
Brantford	994,147	+ 3.1	944,012
London	2,647,382	—11.6	2,701,501
Chatham	692,972	+ 1.5	671,640
Windsor	3,254,281	— 1.8	3,909,727
Sarnia	447,433	—11.9	601,089
Sudbury	999,603	+ 4.7	914,284
Fort William	720,280	+ 7.4	885,427
Winnipeg	29,406,744	—25.8	33,302,719
Brandon	396,810	+14.7	358,590
Moose Jaw	660,253	— 6.3	598,344
Saskatoon	1,366,560	— 7.9	1,350,996
Prince Albert	320,017	—12.1	308,948
Edmonton	4,020,102	— 6.5	4,059,984
Calgary	5,896,859	+12.9	6,352,087
Medicine Hat	166,348	—16.1	238,594
Lethbridge	633,479	+18.0	626,936
N. W'minster	703,006	+17.7	640,334
Vancouver	16,099,261	— 5.6	16,948,334
Victoria	1,550,680	— 7.5	1,607,227

Bank Chat

Veteran Banker

Canadian banks are ticking up magnificent records of longevity as well as of stability. So are a few members of bank boards. But perhaps the longevity record must go to the president of the Bank of New South Wales at Sydney, Australia. He is Sir Thomas Buckland who, in his 90th year, recently presided at the 121st annual meeting.

* * *

Bankers and Brahms

There were recently some eyebrows raised when a group of big U. S. banks sponsored radio broadcasts by the Philadelphia Symphony Orchestra as part of their public relations work. This week came proof that there was no incongruity in the move. A U. S. financial writer, tapping out a squib for his paper on the Philadelphia's programme incautiously referred to Tschaikowsky as "ranked second only to Beethoven in world music." The speed and volubility with which irate bankers descended on the writer's head showed that bankers know their notes, musical and otherwise. Long letters protesting the high place given the Russian demanded where Bach, Brahms, Wagner, Mozart and others came in? The journal is now busy making its apologies.

* * *

Speechmaking

Around annual meeting time, especially, heads of Canadian banks show that they can make a good speech as well as "bank." A big New York bank has decided that all executives, senior and junior, must learn to do themselves and the bank credit by platform abilities.

Weekly speech-making classes were organized. The bank provided the dinner, the staff the orations. While, it is reported, quite a few are still glassy eyed, dead pan, quivering bores, the experiment in public relations is considered an important success.

FIRE INSURANCE—
"Expense" or "Investment"?

By adopting the Northwestern Mutual plan of fire insurance, business men convert an "expense" into an "investment" paying substantial annual dividends. Last year this mutual company distributed $1,143,727 to policyholders in dividends.

NORTHWESTERN MUTUAL
FIRE ASSOCIATION
Non Assessable Policies Assets $6,000,000

BRANCHES ACROSS CANADA
Toronto
Hamilton
Ottawa
Montreal
Quebec City
St. John
Halifax
Winnipeg
Saskatoon
Calgary
Edmonton
Victoria
Kelowna
Vancouver

COMPLETE SECURITY
WHATEVER HAPPENS

"Is it possible to obtain security for myself and family through all the years to come, whatever happens? . . ."

The answer to this question is the
SUN LIFE FAMILY PROTECTION AND
RETIREMENT POLICY
— a plan which, in one contract, covers the contingencies of the future.

WHAT IT DOES

If you die an early death, it provides—
1.—Cash to settle debts.
2.—An income for your family.
3.—An income for your wife.
If you outlive the necessity for insurance protection, the policy can be converted into one providing—
4.—An income for yourself.

WORLD WIDE
SUN LIFE OF CANADA
SECURITY SERVICE
THERE'S A SUN LIFE POLICY FOR EVERYONE

The Independent Order of Foresters
Monthly Income During Disability

Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND
Supreme Chief Ranger.

HEAD OFFICE, TEMPLE BUILDING,
TORONTO, CAN.

Give Your Boy
the advantage of
Your Experience

Give your boy or girl the advantage of an early start on a life insurance program. We say this because the majority of men and women wish they had bought more life insurance when they were younger.

$5,000 Life Insurance
Jubilee Ordinary Life Plan
with Annual Dividends
is only
$59.65 at Age 12
(Other ages proportionate)

If you are 40, your son's policy started now (age 12) would be completely paid-up when he reaches your age, under the London Life's present scale of dividends.* What a splendid start in life you would be giving him!

See a London Life representative about particulars. He can tell you, too, about the plan this Company has for cancelling premiums on such a policy in case the father dies before the child becomes 21 years of age.

*Increases or decreases in future dividend scales or in the rate of interest allowed on accumulating dividends would modify the result.

Established 1874
London Life
Insurance Company
"Canada's Industrial-Ordinary Company"
HEAD OFFICE - LONDON, CANADA

—CLIP AND MAIL TODAY—

To The London Life Insurance Company:

I have a boy____a girl____(state ages) to whom I want to give this start in life.

I should appreciate receiving the necessary facts and figures.

NAME..
(Please Print)

ADDRESS..

Send to the nearest Branch Office of the Company, or to the Head Office at London, Ontario.

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING DECEMBER 20

Range 1937 High	Low	Div Dec 18 R'te $	Y'ld %		Sales	Last Dec. 13	Week end. Dec. 20 H	L	Cl'se
				A					
15½	1½	.	...	Abitibi	6380	2	2½	1½	2
80	17½	.	...	Do. pref. 6%	1220	18½	20	18½	20
97	35	.	...	Do. pref. 7%	....	(35 Nov. 9)			
79½	17	.	...	Do. cert. dep.	100	17½	19	18½	18½
6½	2½	30c	...	Acadia Sugar	....	(2 bid — asked)			
18½	9	50c	5.5	Acme Glove	....	(5 bid — asked)			
				U					
19	11½	62½c	...	Union Gas	1165	13½	13½	13	13½
28	15	75c	...	Un. Amuse, A	...	(— bid 25 asked)			
27	24	75c	...	Do. (B)	....	(— bid 27 asked)			
1.15	.65	5c	...	United Distill.	....	(— bid 1.15 asked)			
62½	30	4	...	United Fuel, pf.	10	40	40	39	40
25½	15½	2	11.1	United Secs.	....	(12½ bid 18 asked)			
11½	2½	.	...	United Steel	1920	4½	4½	4½	4½
				V					
8	2	.	...	Viau Bisc.	....	(2½ bid — asked)			
60	40	5	10	Do. pref.	35	47	50	50	50
				W					
35	18	1+15c	6.4	Wabasso Cot.	....	(19 bid — asked)			
51½	31	2.50	6.1	Walker-Good.	1921	40½	41½	40½	41½
20	16½	1	5.3	Do. pref.	1538	18½	18½	18½	18½
3.50	1.00	2½c	...	Walkerville Br.	500	1.40	1.60	1.50	1.55
5	1	.	...	Waterloo Mfg.	....	1.10 bid 1.75 asked			
12½	3	.	...	West. C. Flour.	....	(— bid 4½ asked)			
90	31	.	...	Do. pref.	....	(31½ bid 39 asked)			
71	50	3	6	West. Grocers	....	(— bid 70 asked)			
125	107	7	6.4	Do. pref.	....	(112 bid 117 asked)			
18½	9½	80+10c	..	Weston Ltd.	1185	11	11	10½	10½
106½	75	5	6.7	Do. pref.	160	85	79	75	76
8	3	.	...	Windsor Hotel	5	3	4	4	4
23	7	.	...	Do. pref.	....	(8 Dec. 11)			
10½	2	.	...	Winnipeg El. A.	481	2½	2½	2½	2½
10	1½	.	...	Do. (B)	36	2½	2	2	2
44	10	.	...	Do. pref.	....	(11½ bid 13½ asked)			
76	53	5.25a	...	Wood, A. & J. p	5	65	65	65	65
85	50	.	...	Woods Mfg. pf.	....	(— bid 60 asked)			
				Y					
5½	4½	.	...	York Knitting	50	4½	5	5	5

† 1936.
a On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1937.
• Plus stock bonus of 1% paid Jan. 2, and 1% Mar. 26, 1937.
x Of which $3 is capital distribution.

Mining Stock Quotations

WEEK ENDED DEC. 20

Par Val.	Range 1937 High	Low	Company	Sales	Close Dec. 13 (or last)	High for week	Low for week	Close Dec. 20
1	.10½	.02	Afton	8,000	.03	.03	.02½	.02½
No	1.90	.30	Aldermac	17,300	.50	.54	.46	.52
1	.04½	.01½	Alexandria	16,500	.02½	.03	.02	.02½
1	.31	.11	Amm. Gold	46,500	.19	.23	.17	.20½
No	8.75	3.40	Anglo-Huronian	4,200	3.50	3.75	3.50	3.50
1	1.42	.22	Argosy	8,500	.27	.28	.26	.26
1	1.15	.18	Arntfield	850	.25	.22	.21	.21
No	.09	.02½	Arno	......	(.02 bid .03 asked)			
1	.15	.05	Ashley	5,100	.06	.06½	.06	.06½
1	.27	.03	Astoria Rouyn	22,300	.04½	.04½	.03	.03½
50c.	.16	.05½	Aztec	......	(.06 bid .10 asked)			
1	.49	.14½	Bagamac	40,387	.17	.26	.18	.26
1	1.85	.53	Bankfield	30,832	.62	.67½	.61	.64

Par Val.	Range 1937 High	Low	Company	Sales	Close Dec. 13 (or last)	High for week	Low for week	Close Dec. 20
1	.30	.08½	Oslsko	......	(.08 bid .20 asked)			
No	4.05	1.90	Pamour	25,670	3.30	3.55	3.30	3.40
1	1.10	.20	Pandora	4,900	.40	.40	.39	.39
1	.42	.06	Parkhill	25,305	.10½	.10	.08	.10
1	3.80	1.70	Pato Cons. G.	350	2.10	2.20	2.15	2.15
1	.41	.05	Partanen Mal.	6,900	.08	.08	.07½	.08
1	.06	.01½	Pawnee Kirk.	500	.01½	.01½	.01½	.01½
1	.46	.08	Paulore	22,100	.14	.19	.15	.15½
1	1.38	.33	Paymaster	35,827	.47	.54	.48	.53
1	.35	.15	Payore	13,000	.16½	.17	.11	.15
1	6.60	1.25	Pend Oreille	21,975	1.90	2.15	1.87	2.05
1	2.51	.50½	Perron Gold	16,425	1.14	1.18	1.12	1.12
1	.03½	.01	Peterson Cobalt	1,000	.01½	.01½	.01½	.01½
1	9.20	4.10	Pickle Crow	7,450	5.30	5.45	5.15	5.15

OIL STOCKS

VANCOUVER STOCK EXCHANGE

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

December 21, 1937

Public Utility Issues:	Int. Rate %	Due	Bid Dec. 21	Asked	Bid Dec. 14
†Assoc. Tel. & T.	5½	'55	71½	74½	72
Beauharnois P.	5½	'73	66	69	63½
‡Bell Telephone	5	'57	118	121	118
B. C. Power	4½	'60	99	102	99
B. C. Teleph.	4½	'61	105	108	105
‡Calgary Pwr.	5	'60	93½	96½	94½
†Can. Nor. Pwr.	5	'53	102½	105½	102½
‡Dom. Gas & El.	6½	'45	75½	78½	74½
‡Gatineau Pwr.	5	'56	103½	106½	102½
†Do., A	6	'41	101	104	101
‡Inter. Hydro-E.	6	'44	71½	74½	68½
†Macl'n-Que. Pr.	5½	'61	102½	105½	102
Mtl. L., H. & P.	3½	'56	100	103	100
†Mtl. Tramways	5	'41	99½	102½	99½
N. S. Lt. & Pr.	4	'57	98	101	97
†Ottawa V. Pwr.	5½	'70	105	108	105
†Power Corp.	4½	'59	99½	102½	99½
Que. Pwr.	4	'62	94½	97½	94½
Saguenay P., B	4½	'66	101½	104½	101½
Shaw. W. & Pr.	4	'61	99	102	98½
Wpg. Elec., A	4	'65	56½	59½	56
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	57½	60½	57
B. A. Oil	4	'45	102½	...	102½
Brown & Co.	5½	'46	57	60	57
Canada Bread	6	'41	107	110	107
Canada Cement	4½	'51	102	105	102
Canada Paper	4½	'52	97	100	97
Can. Steamship	5	'57	72½	75½	71½
Can. Canners	4	'51	96½	99½	96½
‡Can. Inter. Pap.	6	'49	95	98	94½
C. P. R.	3½	'51	91½	94½	90
Do.	4	'49	95	98	94
Do.	4½	'44	99	102	99
Do.	6	'42	106	109	105½
Do., debs.	4 perp.		85½	88½	85½
†Consol. Paper	5½	'61	44½	47½	42
▲Dom. Stl. & Co.	6½	'55	101	104	98
Dom. Tar	4½	'51	99	102	99
†Donnacona P.	4½	'56	74	77	75
Famous Players	4½	'51	96½	99½	95
†Federal Grain	6	'49	82	85	82
†Fraser Cos.	6	'50	97½	100½	96
†Gen. Steel W.	4½	'52	94	97	93
Great Lakes P.	5	'55	91½	94½	91
†Gypsum, Lime.	5½	'48	99	102	98
Lake St. John P. & P.	5½	'61	95	98	..
†Massey-Harris	5	'47	95	98	94½
†McColl-Front.	6	'49	103	106	103
‡M. & O. Paper.	6	'45	34	37	31½
Price Bros.	5	'57	95	98	96
‡Prov. Paper	5½	'47	101½	104½	101½
†Restigouche C.	6	'48	96½	99½	97
Simpsons Ltd.	4½	'51	93	96	93
Smith, Howard	4½	'51	102½	105½	102
†Steel of Canada	6	'40	107½	110½	107½
Union Gas	4½	'50	98½	101½	99

‡Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
▲Payable in Can. or U. K.

Winnipeg Stocks

Transactions from Dec. 13 to Dec. 18

	Sales	High for period	Low for period	Close Dec. 18
Flin Flon	9,500	.04½	.04	.04
Gurney	3,550	.27	.20	.22
Gt. Falls M.	500	.02	.02	.02
Gold Lake	500	.02	.02	.02
Island Lake	3,700	.02	.02	.02
Packsack	2,000	.03	.03	.03
Scotia Gold	3,000	.01½	.01½	.01½
Sachigo River	303	15.25	14.25	15.00
United Grain	20	6.25	6.25	6.25
Star Lake	1,000	.01½	.01½	.01½
Sand River	1,000	.34½	.34½	.34½
West. Steel, c.	181	11.00	10.00	10.00
Wingold	6,000	.03½	.02½	.03½
Winnipeg R. Tin	4,500	.01½	.01	.01½
Wylie Dom.	2,800	.21	.20	.20½

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	...	100
Can. Indemnity	125	...
Can. Airways	...	6
Cres. Cream., pf.	...	30
Dom. Envelope, pref.	92	95
Federal Grain, pref.	...	22
Home Investment	...	22
Reliance Grain, pf.	...	72
Northern Can. Mtge., pf.	3	...
Northern Trust	...	8
West. Breweries	1⅝	...
West. Grain, pf.	5	...
Traders Bldg	82	82½

*Stocks more active on other exchanges not included.

Municipal Bonds

December 21, 1937

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	112.00	114.00	4.07
Hamilton	5	1950	112.00	114.00	3.60
Montreal	5	1945	104.00	105.00	4.19
Ottawa	4½	1945	107.65	109.65	3.05
†Quebec	5	1959	104.50	106.00	4.56
Saint John	5	1950	106.00	107.50	4.24
†Toronto	4½	1955	110.00	112.00	3.55
†Vancouver	5	1950	82.00	87.00	6.38
Winnipeg	5	1944	93.00	97.00	5.57

†Payable Can. and N. Y.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.30	3.60
Can. Inv. Fund	3.65	4.00
All Can. Trustee	11.25	12.25
Trans Canada	12.50	....
Grouped Income	5.20	....
Can. Equity	11.25	....
Can. Int. Tr., modified	5.25	6.25
Do., unmodified	4.50	5.25

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Dec. 21, 1937

Industrial Stocks:	Bid	Asked
Acadia Sugar, com.	3.60	3.90
Do., pfd.	4.40	4.80
Acme Farmers Dairy, pfd.	27.00	31.00
Algoma Steel, com.	9.00	10.00
Do., pfd.	54.00	56.00
Andian National	42.50	44.00
Assoc. Tel. & Tel., pfd.	41.00	46.00
Barrymore Cloth, pfd.	25.25	28.00
Brandram-Henderson, com.	3.25	6.00
Do., pfd.	21.00	....
B. C. Pulp & Paper, com.	15.50	20.00
Do., pfd.	70.00	80.00
B. C. Sugar	94.00	95.50
Brown & Co., pfd.	29.00	30.50
Do., A	7.50	8.75
Do., B	2.25	3.25
Can. Airways	3.00	4.00
Can. Fairbanks-Morse, com.	21.50	....
Can. Ingersoll Rand	108.00	115.00
Can. Tube & Steel, com.	6.25	8.00
Do., 1st pfd.	83.00	90.00
Do., 2nd pfd.	16.00	20.00
Can. Westinghouse	51.50	53.50
Chase, A. W., pfd. bonus	26.00	27.50
Claude Neon, pfd.	6.00	7.50
Conduits Nat., com.	3.70	4.50
Dom. Manufacturers, com.	2.00	2.75
Dominion Woollens, pfd.	1.00	1.50
Dunlop Tire, pfd.	90.00	....
Federal Grain, com.	1.00	1.50
Do., pfd.	16.50	18.50
Goderich Elevator	3.75	4.25
Guelph Carpet, pfd.	103.00	104.50
Do., com.	23.00	24.50
Hayes Steel Prod., com.	5.50	6.50
Do., pfd.	6.00	7.00
Highland Dairy, pfd.	74.00	78.00
Inter. Met. Indust., A pfd.	67.00	72.00
Kingston Shipbuilding Units	8.00	....
Legare Co., pfd.	6.25	8.00
Loblaw Inc., pfd. bonus	70.00	77.00
Maritime Telephone, com.	16.25	17.50
Do., pfd.	16.75	17.50
McCormick's, com.	3.25	4.25
Do., pfd.	15.00	....
Morrison Brass, pfd. bonus.	8.50	11.00
Morrow Screw, pfd. bonus.	98.00	102.00
New Brunswick Tele., com.	13.75	14.75
New Meth. Laund., pfd. bon.	87.00	92.00
Paterson, Wm., pref.	100.00	....
Provincial Paper, pfd.	106.00	107.50
Reliance Grain, pfd.	....	66.50
Rob. Consol. Cone	8.00	9.00
Ruddy, E. L., pfd.	30.00	33.00
Seal O Sac (Can.)	4.50	5.50
Standard Fuel, com.	3.00	4.00
Do., pfd.	74.25	78.00
Supertest Pet., B pfd.	27.25	28.50
Toronto Carpet, com.	48.00	52.00
Do., pfd.	55.00	59.00
United Farmers Co-op.	2.75	....
United Steel, A pfd.	15.50	18.25
Viceroy Mfg., pfd. & rts.	17.25	19.00
Western Grain, pfd. bonus	5.25	6.50
West. Steel Products, com.	9.00	10.50
Weston (Geo.) Foods (Eng.)	2.50	3.00
Wings Limited	.85	1.00
Trusts and Loan Stocks:		
Chartered Trust	98.50	101.50
Commercial Finance, com.	3.00	3.25
Guelph & Ont. Inv.	82.50	....
London & West. Trust	48.00	52.50
Premier Trust	....	....
Sherbrooke Trust	120.00	....
Sterling Trust	40.00	42.00
Traders Fin., A com.	13.00	15.00
Do., B pfd. bonus	83.50	88.00
Trusts & Guarantee	26.00	28.00
Insurance Stocks		
Canada Life	535.00	....
Canadian Ins. Shares	18.00	19.00
Confederation Life, 20% pd.	111.50	114.50
Crown Life Fully Paid	195.00	....
Dominion Fire	135.00	....
Dom. of Can. Gen.	123.00	130.00
Empire Life 25% pd.	12.50	13.00
Federal Fire, 25% pd.	41.00	....
Great West Life	308.00	315.00
Guar. of N.A., fully pd.	320.00	375.00
Imperial Life	315.00	335.00
Manufacturers Life	256.00	270.00
Monarch Life, 10% pd.	24.00	28.00
Sovereign Life, 25% pd.	14.50	16.50
Sun Life (Div. $15)	440.00	480.00
Western Assce., pfd.	40.00	42.00
Do., com.	47.50	50.00
Theatre Stocks:		
Allens Kingston, pfd.	65.00	....
Do., St. Catharines, pfd.	63.00	....
Do., Tor., pfd. bonus com.	34.00	....
Mansfield Theatre, pfd.	25.00	27.50
Paramount Kitchener, pfd.	48.00	52.50
Do., Oshawa, pfd.	86.00	91.00
United Amusement, A. V.T.	17.00	19.50
Do., B	17.00	19.50
Investment Trust Shares:		
Can. Gen. Invest.	8.35	8.60
Can. Investment Fund	3.75	4.00
Can. Investors	5.50	6.50
Cons. Div. Std. Sec., pfd.	10.50	....
Corporate Investors	6.00	6.50
Inv. Foundation Units	51.50	54.00
Lon. Can. Invest., pfd.	52.00	....
Sec's. Hold., pfd. bonus	17.00	19.50
United Corpns., A	20.00	22.00
Do., B	10.25	12.00
Power Issues:		
Can. West. Nat. Gas, com.	25.00	28.50
Do., pfd.	85.50	87.50
Foreign Power Sec's., pfd.	4.50	6.50
Great Lakes Power, pfd.	98.00	....
Inter. Util., $1.75 pfd.	8.00	9.75
Do., $7 pfd.	91.00	95.50

Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines
Dec. 21	26,600	73,700	525,000
Dec. 20	32,100	68,600	599,000
Dec. 18	8,300	43,400	349,000
Dec. 17	16,300	66,700	574,000
Dec. 16	24,800	101,000	524,000
Dec. 15	16,500	111,300	448,000

Unlisted Mines

TORONTO
Dec. 21, 1937

	Bid	Asked		Bid	Asked		Bid	Asked
Albany R.	.54	.56	Goldside	.02½	.02½	Mosher	.12½	.14
Algoma S.	..	.45	Golden G.	.48	.49	Norlake	.05	.07
Algold	.33	.35	Gord. Leb.	.02	.05	North Sh.	.01½	.02
Armistice	.10½	.12	Gull Kirk.	.01	.02	Oklend	.14½	.15½
Arno	.02	.03	Hallnor	6.00	6.50	Oliver Sv.	..	.10
Athona	.09	.10½	Halliwell	..	.42	O'Leary	.03½	.04½
Area	.04	.04½	Heva Cad.	.04½	.06	Opem. Cp.	.07	.09
Augite	.26	.28	Hudson P.	.02½	.03½	Oriole	.05½	.06½
Bailor	.01½	.02½	Hislop	.02½	.03	Ossian	.01½	.02½
Barb. Lr.	.46½	.48	Horseshoe	.00½	.01	Pascalis	.35	.37
B.E.A.R.	.16	.18	Hutch. Lk.	.08½	.09½	Porc. Mc.	.02½	.03½
Bilmac	.16	.18	Hugh PP.	.09	.10	Plains P.	3.00	3.20
Baldwin	.01½	.02½	Hudson B.	.15	.25	Porc. Tri.	.05½	.07
Cuniptau	.04½	.05½	Kaw Crow	.03	.04½	Pontiac R.	.13	.15
Calder B.	.02½	.03½	Kirk. Gte.	.13½	.14½	Pelangio	.06	.07
Callinan F.	.02½	.03½	Keystone	.04½	.04½	Propr'y	1.40	1.50
Can. Pan.	.08	.08½	Kenland	.01½	.02½	Que. Man.	.60	.62
Can. Kirk.	.01½	.02	Kenricia	.21	.23	Rajah	.04	.05
Cooke	.11	.13	Kewaga'a	.12	.14	Raven Rv.	.32	.35
Cent. Mn.	.04½	.04½	King Kir.	.01½	.02½	Ribago (new)	.10	.11
Candala'a	..	.25	Kir. Vit.	.04½	.05	Ronda	.18	.20
Capital R.	.09½	.10	Kirk. Hunt.	.02	.02½	Rouyn R.	.02½	.03
Chester'e	.90	1.00	Lacoma	.09	.09½	Rubec	.02	.02½
Coin Lake	.04	.06	Lafayette	.01½	.02½	Sand Rv.	.31	.33
Condor (old)	.03½	.04½	L. Geneva	.22	.25	Shenango	.12	.14
Con. Kirk.	.27	.29	Lake Rose	.07	.09	Silver Valley	.05	.06
Denison N.	.28	.30	Lamaque	6.20	6.50	Siscoe E.	.18	.20
Desantis (new)	..	.23	Lardego	.05½	.06½	Smelter	.01½	.02½
Devon	.27	.30	Magnet L.	.06½	.08	Spooner	.04½	.05½
Doreva	.03½	.04½	Magnet C.	.26	.28	Sturg. Rv.	.34	.36
Delosha P.	.11	.13	Malartic	.22	.25	Springer	.13	.15
Dunlop (new)	.04½	.05	Maniw'i	1.20	1.30	Tonawonda	.02½	.03½
El Bonan	..	.07	Martin M.	.08	.10	Upper Can.	.23	.25
Elec. Por.	..	.05	Martin B.	.39	.41	Wascana	.05½	.06½
Eva Lake	.04½	.05½	Mata. Cn.	.08	.09½	Williamson	.04	.05
Elmos	.08	.10	Moffatt (new)	.07	.08	Wesley	.11	.12
Fernland	.16	.19	McFar. L.	.05½	.06½	Westside	.03	.04½
Frontier	.06	.06½	McC'y W.	.11	.14	White H.	.08	.11
Garnet	.01½	.02½	McVit. Kr.	.02½	.03	Winoga	.06	.07
Gate Pat.	.02½	.03½	Monarch	.03	.03½	Young David	.26	.28
Gilbec	.01½	.02½	Mooshla	.08	.10	Ypres Cd.	.14	.15
						Woco	.15	.17

MONTREAL
Dec. 21, 1937

	Bid	Asked		Bid	Asked		Bid	Asked
Abbeyville	.15	.16½	Franklin	..	.02	Porc. Lake	..	.10
Amity	.01½	.02½	Golden Gate	.47	.50	Red Gold	.07	.08
Bousquet	..	.01½	Grace Larder	.09	.11	Richmac	..	.20
Brown Cadillac	.08	.10	Halliwell	..	.40	Routhier	.17	.19
Central Dev.	..	.11	Heva Cadillac	.06	.08	Schreiber	..	.05
Chibmac	.05½	.06½	Lacoma	.09	.09½	Scott Chip.	..	.10
Clerno	..	.16	Lake Rowan	..	.27	Seguin	.02	.02½
Cournor	.30	.34	L. L. Lagoon	..	.07	Shawmaque	..	.15
Dempsey Cad.	.03	.05	Leroy	.04	.05	Shookum	.01½	.02½
Descar	..	.10	Margaret	..	.15	Stadore	..	.25
Dorval Units	..	12.00	Obalski	.09	.10	Wawbano	.02	.03
Fontana	.16	.18	Pan. Cdn.	.19½	.21	West Duv.	..	.10
						Westwood Cad.	.10	.11

Government Bonds

Dominion of Canada Bonds

Dec. 22, 1937

		Bid	Asked	Approx. Yld.
	15 Oct. '38	100.50	101.00	.79
	1 Jan. '39	100.50	101.00	1.07
	1 June '39	99.25	99.75	1.17
	15 Nov. '39	100.75	101.25	1.35
	15 Oct. '39	101.50	102.00	1.40
½	15 Oct. '39	104.10	104.60	1.45
½	1 June '40	99.50	100.00	1.50
¼	1 Sept. '40	103.65	107.15	1.79
	15 Mar. '41	97.25	97.75	1.72
5	15 Nov. '41	109.85	110.35	2.22
3	1 June '42	99.35	99.85	2.02
3	15 Oct. '42	103.25	103.75	2.18
2½	1 June '43	100.65	101.15	2.27
5	15 Oct. '43	111.85	112.35	2.70
2¼	15 Jan. '44	99.25	99.75	2.29
4½	15 Oct. '44	110.35	110.85	2.75
2½	15 Nov. '44	99.50	100.00	2.50
■2½	15 Aug. '45	99.65	100.15	▲2.47
4	15 Oct. '45	106.85	107.35	▲2.63
4½	1 Feb. '46	110.75	111.25	▲2.94
3¼	1 June '49	101.00	101.50	▲3.05
3½	15 Oct. '49	102.23	102.75	▲3.05
3¼	15 Nov. '51	100.65	101.15	▲3.13
■5	1 May '52	112.00	112.50	▲2.03
4	15 Oct. '52	106.75	107.25	▲3.15
3	1 June '55	97.50	98.00	3.15
4½	1 Nov. '56	110.00	110.50	▲3.15
4½	1 Nov. '57	110.00	110.50	▲3.26
4½	1 Nov. '58	110.50	111.00	▲3.30
4½	1 Nov. '59	110.90	111.40	▲3.34
■4	1 Oct. '60	107.75	108.25	▲3.22
■3¼	15 Jan. '61	100.00	100.50	▲3.21
3¼	1 June '66	99.60	100.10	▲3.24
■3	15 Jan. '67	93.75	94.25	3.31
‡3	Perp. bonds	86.90	87.40	3.43

Dominion Guaranteed Bonds

Canadian National Railway:

		Bid	Asked	Approx. Yld.
2	1 May '38	100.00	100.50	.77
2	15 Feb. '43	98.00	98.50	2.30
3	1 May '44	101.50	102.50	2.57
3	15 Dec. '50	97.50	99.00	3.09
3	15 Feb. '53	96.50	97.50	3.21
*4½	1 Sept. '51	113.25	114.25	3.23
*4½	1 Feb. '56	113.75	114.75	3.42
†4½	1 July '57	113.25	114.25	3.46
*4¾	15 June '55	116.00	117.00	3.45
5	1 Feb. '54	117.00	118.00	3.55
*5	1 July '69	116.00	117.00	▲2.85
*5	1 Oct. '69	118.00	119.00	▲3.40
*5	1 Feb. '70	118.00	119.00	▲3.44

Provincial Government Bonds

		Bid	Asked	Approx. Yld.
New Brunswick:				
3½	15 June '58	94.00	95.00	3.87
†4½	15 Apr. '61	103.00	104.00	4.23
†5	15 Jan. '60	108.00	109.00	4.36
Nova Scotia:				
3	2 Jan. '52	93.00	94.50	3.49
3½	16 Aug. '46	99.00	100.00	3.50
†4½	15 Sept. '52	107.00	108.00	▲3.52
†5	1 Mar. '60	114.50	116.50	3.88
Ontario:				
2½	15 May '43	97.75	98.75	2.68
3	1 Dec. '51	96.50	97.50	3.22
3¼	15 Nov. '51	99.00	100.00	3.25
*4	1 June '62	106.75	107.75	3.52
4½	1 June '50	110.50	111.50	3.37
*4½	15 Jan. '62	114.00	115.50	3.55
5	15 Oct. '48	114.00	115.00	3.36
*5	2 Dec. '60	118.00	120.00	3.70
5½	1 July '46	116.00	117.00	3.22
Ont. Hydro. Comm.:				
3½	1 Apr. '47	101.75	102.75	3.15
4¾	1 Jan. '70	116.50	118.00	3.78
Prince Edward Island:				
3	1 Oct. '45	98.00	99.50	3.07
Quebec:				
3	1 Nov. '51	95.50	96.50	3.31
3¼	1 July '49	98.25	99.25	3.32
4	15 Mar. '52	104.50	106.00	3.47
4¼	1 Aug. '58	108.00	109.00	3.63
4½	2 Jan. '63	110.00	111.50	3.79
Alberta:				
4	15 Dec. '54	49.00	51.00	§
4½	1 Oct. '51	61.00	63.00	§
†4½	1 Oct. '56	49.50	51.50	§
*5	1 Oct. '59	52.50	54.00	§
†5½	1 Apr. '52	55.00	57.00	§
6	1 Mar. '47	61.00	63.00	§
British Columbia:				
†4	1 Dec. '57	89.00	91.00	4.70
*4½	15 Jan. '51	96.00	97.00	4.80
†4½	1 Oct. '53	94.50	95.50	4.91
†5	25 Apr. '54	99.00	100.00	5.00
5½	1 Feb. '45	101.00	102.00	5.16
6	15 Feb. '47	103.00	104.00	5.44
Manitoba:				
†4	1 Dec. '57	75.00	78.00	5.88
†4½	15 Dec. '58	77.00	79.00	6.43
*5	2 Dec. '59	85.00	89.00	5.90
5½	1 Oct. '55	85.00	87.00	6.76
6	1 Apr. '47	90.00	91.50	7.27
Saskatchewan:				
4	15 Aug. '53	62.00	64.00	8.04
4	1 Nov. '60	60.00	62.00	7.49
†4½	1 Oct. '51	73.50	74.50	7.46
†4½	15 Mar. '60	65.00	67.00	7.58
5	1 Aug. '58	68.50	70.00	7.97
5½	1 Oct. '52	72.50	74.50	8.54
6	15 Mar. '52	75.00	78.00	8.70

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. ■Payable N.Y. †Payable Can. & N.Y. ▲Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%. ‡Payable £.

Dividends Declared

	This payment	Date payable	Date of record
Acme Glove	12½c	Jan. 3	Dec. 18
Do., pref.	$1.62½	Jan. 3	Dec. 18
Anglo-Huronian	10c	Jan. 3	Dec. 15
Agnew-Surpass, pf.	$1.75	Jan. 3	Dec. 15
Assoc. Breweries	20c	Dec. 31	Dec. 15
Do., extra	25c	Dec. 22	Dec. [illegible]
Do., pref.	$1.75	Jan. 1	Dec. [illegible]
Assoc. Tel. & T., pf.	$1.47	Dec. 24	Dec. 17
Do., $6 pref.	$1.26	Dec. 24	Dec. [illegible]
Anglo-Nor. H., pf.	$3.50	Dec. 31	Dec. 20
B. C. Elec. Pr., pfd.	$1.50	Jan. 3	Dec. 20
Beatty Bros., pf.	$3.50	Jan. 3	Dec. 15
Bell Telephone	$2	Jan. 15	Dec. 23
Brazilian Tr., pf.	$1.50	Jan. 3	Dec. 15
B. C. Power, A	50c	Jan. 15	Dec. 31
Burlington Steel	15c	Jan. 3	Dec. 15
Bk. of Canada	$1.13	Jan. 3	Nov. 30
Bk. of N. Scotia	$3	Jan. 3	Dec. 16
Belding Cort.	$1	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Brazilian Tr., c.	50c	Jan. 25	Dec. 2[illegible]
Bralorne Mines	10c	Jan. 15	Dec. 31
Do., extra	10c	Jan. 15	Dec. 31
Brant. Cordage, pf.	32½c	Jan. 15	Dec. 20
B. Amer. Oil	25c	Jan. 3	Dec. 17
Building Prod., A, B.	50c	Jan. 3	Dec. 17
Do., extra	50c	Jan. 3	Dec. 17
Burt, F. N.	30c	Jan. 3	Dec. 10
Burry Biscuit, pf.	75c	Jan. 15	Dec. 20
Can. L. & Pr.	50c	Jan. 3	Dec. 24
Cent. Can. Loan	$2	Jan. 3	Dec. 18
Cent. Pat. G. M.	4c	Jan. 15	Dec. 15
Comm. Alcohols, pf.	10c	Jan. 1	Jan. 1
Can. Breweries, pf.	50c	Jan. 1	Dec. 31
Cosmos Imp., pref.	$1.25	Jan. 10	Dec. 31
Candn. Car. pfd.	44c	Jan.	Dec. 27
Can. Cottons	$1	Jan.	Dec. 17
Do., pref.	$2	Jan.	Dec. 17
Candn. Oil, pref.	$2	Jan.	Dec. 20
Can. Gen. Elec.	$1.50	Jan.	Dec. 15
Carnation Co., pf.	1.25	Jan.	Dec. 18
Canada Life	$5	Jan.	Dec. 31
Consumers' Gas	$2.50	Jan.	Dec. 15
Canada Packers	75c	Jan.	Dec. 15
Can. Forgings, A	$1	Jan.	Dec. 22
Can. Celanese	40c	Dec. 3	Dec. 17
Do., pref.	$1.75	Dec. 3	Dec. 17
Do., inc. fd. rights	$1	Mar. 3	Dec. 31
Can. Fairbanks, pf.	$1.50	Jan. 1	Dec. 31
Can. Indust., A, B.	$2.75	Dec. 2	Dec. 15
Do., pref.	$1.75	Jan. 1	Dec. 31
Coniaurum Mines	5c	Dec. 3	Dec. 10
Can. Perm. Mtge.	$2	Jan.	Dec. 15
Can. Nor. Power	30c	Jan. 2	Dec. 31
Do., pref.	$1.75	Jan. 1	Dec. 31
Can. Canners, 1st pf.	25c	Jan.	Dec. 15
Do., 2nd pfd.	15c	Jan.	Dec. 15
Can. For. Invest.	40c	Jan.	Dec. 15
Can. Westinghouse	50c	Jan.	Dec. 20
Can. South. Pr., pf.	$1.50	Jan. 1	Dec. 20
Can. Wire. Box, A	37½c	Jan.	Dec. 15
Cariboo Gold	2½c	Jan.	Dec. 8
Do., extra	1½c	Jan.	Dec. 8
Chartered Trust	$1	Jan.	Dec. 15
Cons. Smelters	50c	Dec. 3	Dec. 8
Do., extra	$1.50	Dec. 3	Dec. 8
Crow's Nest Coal	$1.50	Dec. 2	Dec. 11
Confed. Life	$1	Dec. 3	Dec. 25
Cons. Bakeries, ord.	25c	Jan.	Dec. 23
Can. Cement, pf.	$1.25	Mar. 2	Feb. 28
Do., arrears	$2	Mar. 2	Feb. 28
Canada Bread, 1st p.	$1.25	Jan.	Dec. 22
Do., B pref.	62½c	Jan. 3	Dec. 22
Do., arrears	12½c	Jan. 3	Dec. 22
Can. Bronze	37½c	Feb. 1	Jan. 20
Do., extra	50c	Feb. 1	Jan. 20
Do., pref.	$1.25	Feb. 1	Jan. 20
Dominion Bank	$2.50	Jan. 3	Dec. 20
Dom. Textile	$1.25	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 15	Dec. 31
Dominion Coal, pf.	38c	Jan. 3	Dec. 15
Dom. Glass	$1.25	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Dom. Rubber, pf.	$1.75	Dec. 31	Dec. 23
East. Twp. Tel.	▲	Apr. 15'38	Dec. 31
East. Steel, pf.	$1.75	Jan. 1	Dec. 15
Falconbridge N.	7½c	Dec. 30	Dec. 8
Ford Motor, A, B	25c	Dec. 18	Nov. 27
Greening Wire	15c	Jan. 3	Dec. 15
Gould Pumps, pf.	$1	Dec. 27	Dec. 17
Do., arrears	$5	Dec. 27	Dec. 17
Gt.-West Life	$5	Jan. 3	Dec. 20
Goodyear Tire, pf.	62½c	Jan. 3	Dec. 15
Do., com.	63c	Jan. 3	Dec. 15
Gachin Gold	17c	Dec. 31	Dec. 15
Goderich Elev.	25c	Jan. 2	Dec. 15
Gt. Lakes Power, pf.	$1.75	Jan. 15	Dec. 31
Ham. Cotton, pf.	‡50c	Jan. 1	Dec. 15
Ham. Un. Theat., pf.	$1.50	Dec. 31	Nov. 30
Huron & Erie Mtge.	$1	Jan. 3	Dec. 15
Hollinger Cons.	5c	Dec. 31	Dec. 16
Do., extra	10c	Dec. 31	Dec. 16
Harding Carpets	10c	Jan. 3	Dec. 18
Howe Sound	75c	Dec. 21	Dec. 12
Do., extra	75c	Dec. 21	Dec. 12
Hudson's Bay, pf.	2½%	Jan. 1	....
Imperial Bank	$2.50	Feb. 3	Dec. 31
Indust. Accept. pf.	$1.25	Dec. 31	Dec. 24
Do., A	37½c	Dec. 31	Dec. 24
Int. Bronze P. pf.	37½c	Jan. 15	Dec. 31
Do., com.	37½c	Jan. 15	Dec. 31
Invest. Found., pf.	50c	Jan. 15	Dec. 31
Do., arears	50c	Jan. 15	Dec. 31
Imp. Tobacco, ord.	†10c	Dec. 31	Dec. 10
Inter. Mining	45c	Dec. 24	Dec. 17

DIVIDEND NOTICES

Industrial Acceptance Corporation Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that the following Dividends have been declared for the current quarterly period, payable on the 31st day of December, 1937, to Shareholders of record on the 24th day of December, 1937:

On the Cumulative Redeemable Preferred Stock at the rate of 5% per annum.

On the Class "A" Stock at the rate of 37½ Cents per share.

By Order of the Board.

J. B. PENNEFATHER,
Secretary-Treasurer.

Montreal, 18th December, 1937.

86th
Quarterly Dividend

NOTICE IS HEREBY GIVEN that a dividend of thirty-eight cents per share (being at the rate of one dollar and fifty cents per annum) on the no-par-value common shares of the Company presently issued and paid up for quarter ending December 31st, 1937, has this day been declared to shareholders of record December 31st, 1937, on the Montreal and London, England, registers.

Dividend cheques will be mailed to registered shareholders January 31st, 1938.

By Order of the Board,

G. R. WHATLEY,
Secretary.

Montreal, December 20th, 1937.

Montreal Light Heat & Power Consolidated

Owned by 50,000 shareholders and debenture holders, Montreal Light Heat & Power has more customer-owners than any other utility company in Canada

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Quebec Power Company

NOTICE is hereby given that a dividend of twenty-five (25c) cents per share has been declared on the no par value common shares of the Company for the quarter ending December 31st, 1937, payable February 15th, 1938, to shareholders of record January 25th, 1938.

By Order of the Board,

JAMES WILSON,
Secretary.

Montreal, December 20, 1937.

Canada Cement Company Limited

Preference Dividend Nos. 23 and 24

NOTICE is hereby given that the Directors have declared a dividend of Two Dollars ($2.00) per share on the 6½% Preference stock of this Company to bring the total to Six Dollars and Fifty Cents ($6.50) per share applying on the fiscal year ended November 30, 1937. The Directors have also declared a dividend of One Dollar and Twenty-five Cents ($1.25) per share on the Preference stock to apply on the first quarter of the present fiscal year. Both dividends will be payable on the 21st day of March, 1938, to Preference shareholders of record at the close of business February 28, 1938.

By Order of the Board,

G. A. RUSSELL,
Secretary.

Montreal, December 17, 1937.

DIVIDENDS DECLARED
(Continued)

	This payment	Date payable	Date of record
Inter. Nickel, pf.	$1.75	Feb. 1	Jan. 3
Inter. Nickel, c.	50c	Dec. 31	Dec. 1
Do., extra	25c	Dec. 31	Dec. 1
Int. Power, pf.	$1.50	Jan. 3	Dec. 15
Inter. Milling, pf.	$1.25	Jan. 15	Jan. 3
Inter. St. Rlty., A	28c	Jan. 1	Dec. 15
Intercol. Coal	$3	Jan. 3	Dec. 21
Do., extra	$2	Jan. 3	Dec. 21
Do., pref.	$4	Jan. 3	Dec. 21
Jam. Pub. Serv.	43¾c	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Lang, John A., c.	17½c	Jan. 2	Dec. 15
Land. Bk. & Loan	$1.25	Jan. 3	Dec. 15
Mtl. Light H. & Pr.	38c	Jan. 31	Dec. 31
Mtl. Telegraph	80c	Jan. 15	Dec. 31
Mtl. Tramways	$2.25	Jan. 15	Jan. 4
Mtl. Refrig., pfd.	$1.25	Dec. 31	Dec. 15
Melchers Dist., pf.	30c	Dec. 31	Dec. 15
Mitchell, J. S., pf.	$1.75	Jan. 3	Dec. 16
Monarch Knit, pf.	$1.75	Jan. 3	Dec. 10
McColl-Front., pf.	$1.50	Jan. 15	Dec. 31
Moore Corp.	40c	Jan. 3	Dec. 10
Do., extra	40c	Jan. 3	Dec. 10
Do., pf., A & B	$1.75	Jan. 3	Dec. 10
Nat. Grocers, pf.	$1.75	Jan. 1	Dec. 15
National Trust	$2	Jan. 3	Dec. 21
Nat. Breweries	50c	Jan. 3	Dec. 18
Do., pref.	43c	Jan. 3	Dec. 18
Nat. Steel Car	50c	Jan. 15	Dec. 31
New Eng. Pr., A pf.	$1.50	Jan. 3	Dec. 15
Do., $2 pfd.	50c	Jan. 3	Dec. 15
N. S. Light & Pr., c.	$1.25	Jan. 3	Dec. 15
Niag. Wire, c.	50c	Jan. 3	Dec. 15
North Star Oil, pf.	‡8¾c	Jan. 2	Dec. 15
Ont. Silknit, pf.	$1.75	Dec. 15	Dec. 5
Ottawa L H.	$1.50	Jan. 1	Dec. 15
Do., pref.	$1.25	Jan. 1	Dec. 15
Ogilvie Flour, c.	$2	Jan. 3	Dec. 15
Do., extra	$2	Jan. 3	Dec. 15
Ottawa Car	$2	Jan. 3	Dec. 15
Ont. Loan & Deb.	$1.25	Jan. 3	Dec. 15
Para. Pictures, pf.	$1.50	Dec. 28	Dec. 21
Do., 2nd pfd.	15c	Dec. 28	Dec. 21
Prudential Trust	25c	Jan. 3	Dec. 20
Pickle Crow	10c	Dec. 31	Dec. 15
Power Corp.	†30c	Dec. 21	Dec. 4
Do., pref.	$1.50	Jan. 15	Dec. 31
Do., 2nd pref.	75c	Jan. 15	Dec. 31
Pioneer Gold	10c	Jan. 3	Dec. 1
Pressed Metals	50c	Dec. 30	Dec. 22
Porto Rico Pr., pf.	$1.75	Jan. 3	Dec. 15
Premier Gold	3c	Jan. 15	Dec. 17
Page-Hersey	$1	Jan. 3	Dec. 15
Do., extra	25c	Jan. 3	Dec. 15
Quebec Power	25c	Feb. 15	Jan. 25
Reno Gold	3c	Jan. 3	Dec. 10
Riverside Silk, A	50c	Jan. 3	Dec. 15
Real Est. Loan	$1	Jan. 3	Dec. 17
Remington Rand	25c	Jan. 3	Dec. 13
Root Petroleum, pf.	30c	Jan. 1	Dec. 21
Russell Motor	$1.25	Dec. 31	Dec. 14
Do., extra	$1	Dec. 31	Dec. 14
Do., pref.	$1.75	Dec. 31	Dec. 14
Shawinigan W. & P.	20c	Feb. 15	Jan. 25
Do., extra	5c	Feb. 15	Jan. 25
Sheep Creek	3c	Jan. 15	Dec. 31
Stand. Fuel, pf.	$1.62½	[illegible]	Dec. 15
Sun Life	$3.75	Jan. 1	Dec. 16
Super. Pete., ord. & c.	50c	Jan. 1	Dec. 17
Do., extra	25c	Jan. 3	Dec. 17
Do., B pref.	75c	Jan. 3	Dec. 17
Sher.-Williams, pf.	‡$1.75	Jan. 3	Dec. 15
Securities Hold., pf.	65c	Jan. 3	Dec. 22
Supersilk H., 1st pf.	$2.50	Jan. 1	Dec. 17
Smith, H., Pap., pf.	$1.50	Jan. 15	Dec. 31
South. Can. Pr., pf.	$1.50	Jan. 15	Dec. 20
Stand. Steel, A, pf.	75c	Jan. 1	Dec. 15
Do., arrears	75c	Jan. 1	Dec. 15
Sudbury Basin	10c	Jan. 3	Dec. 14
Sylvanite Gold	5c	Dec. 31	Nov. 25
South. C. Pr.	20c	Feb. 15	Jan. 31
Tip Top Tailors, pf.	$1.75	Jan. 2	Dec. 17
Do., com.	15c	Jan. 2	Dec. 17
Do., extra	10c	Jan. 2	Dec. 17
Tamblyn	20c	Jan. 3	Dec. 15
Do., pref.	62½c	Jan. 3	Dec. 15
Thayers, pfd.	$3.50	Jan. 1	Dec. 20
Toronto Mortgage	$1.50	Jan. 3	Dec. 15
Tor. Gen. Trusts	$1	Jan. 2	Dec. 18
Teck-Hughes	10c	Jan. 3	Dec. 10
United Bond & Sh.	15c	Jan. 15	Dec. 31
United Secs.	50c	Jan. 15	Dec. 24
United Corp., A	‡$1.87½	Jan. 3	Dec. 15
Ventures	25c	Jan. 4	Dec. 17
Viau, pfd.	$1.25	Jan. 3	Dec. 20
West Koot. Pr., pf.	$1.75	Dec. 31	Dec. 15
Weston, c.	20c	Jan. 3	Dec. 15
Westminster Pap.	25c	May 1/38	May 1
Wr.-Hargreaves	10c	Jan. 3	Nov. 24
Do., extra	5c	Jan. 3	Nov. 24
Do., interim	10c	Jan. 15	Dec. 1
West. Grocers	75c	Jan. 15	Dec. 20
Do., pref.	$1.75	Jan. 15	Dec. 20
Wabasso	25c	Jan. 3	Dec. 18
Do., extra	15c	Jan. 3	Dec. 18
Walkerville Brew.	2½c	Jan. 15	Jan. 5

‡On arrears.
†Interim.
▲18 cents declared quarterly; 36 cents payable Apr. and Oct. 1.

DIVIDEND NOTICES

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable January 3rd, 1938, to Shareholders of record as at close of business December 15th, 1937.

W. S. BARBER,
Secretary-Treasurer.

Toronto, Ontario.

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1937, making a total distribution of ten per cent for the current year — the Dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the third day of January, 1938, to shareholders of record of the 20th December, 1937.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 17th November, 1937.

The Shawinigan Water and Power Company

NOTICE is hereby given that a dividend of Twenty Cents (20c.) per share has been declared on the no par value common shares of the Company for the quarter ending December 31st, 1937, and in addition thereto there has been declared a special dividend of Five Cents (5c.) per share, payable February 15th, 1938, to shareholders of record, January 25th, 1938.

By Order of the Board.

H. G. BUDDEN,
Secretary and Assistant Treasurer.

Montreal, December 15th, 1937.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per Share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 3rd January, 1938, to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.

WALTER GILLESPIE,
Manager.

2nd December, 1937.

THE CANADIAN BANK OF COMMERCE

The Annual Meeting of the Shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, No. 25 King Street West, Toronto, on Tuesday, the 11th day of January next. The Chair will be taken at 2.30 o'clock p.m.

By order of the Board,

A. E. ARSCOTT
General Manager

Toronto, 19th November, 1937.

Canadian Bronze Company Limited

DIVIDEND NOTICE.

THE quarterly Dividend of 1¼%, on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of February, 1938, to Stockholders of record as of the 20th day of January, 1938.

Also a quarterly Dividend of Thirty-Seven and one-half (37½c) Cents per Share, together with an interim dividend of Fifty (50c) Cents per Share, have been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending January 31st, 1938. Payable the 1st day of February, 1938, to Stockholders of record as of the 20th day of January, 1938.

By Order of the Board,

W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
December 17th, 1937.

Imperial Bank of Canada

DIVIDEND No. 190

Notice is hereby given that a Dividend of two and one-half per cent (2½%) has been declared for the quarter ending the 31st January, 1938, payable at the Head Office and Branches on and after Tuesday, the 1st day of February next, to shareholders of record of 31st December, 1937.

By order of the Board.

H. T. JAFFRAY,
General Manager.

Toronto, 15th December, 1937.

United Distillers Of Canada Limited

Notice of Dividend

NOTICE IS HEREBY GIVEN that a Dividend of 5c. per share has been declared by the Directors of the United Distillers of Canada Limited, payable in Canadian Funds on December 20th, 1937, to shareholders of record at the close of business on December 15, 1937. The Transfer Books will not be closed.

By Order of the Board.

A. L. McLENNAN,
Secretary.

Vancouver, B.C.
December 7th, 1937.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Week in Wheat

Market Interest Shifts To American Holdings

Overseas Millers Adjusting Operations to Suit Limited Supply of Canadian Hard — Buying Is Steady

From Our Own Correspondent

WINNIPEG.—Export interest on this continent is evidently shifting considerably from Canadian to United States hard winter wheat, as overseas millers are adjusting their operations to suit limited supplies of Canadian grain. Visible in this country is now down under 60 million bushels.

Last week's shipments included over 300,000 bushels of durums, bringing the total of durums exported so far this season to over four million bushels and giving hope that the market will yet take Canada's considerable surplus of this type of wheat. Both Italy and Germany are expected to be fairly large scale buyers.

The wheat market continues to show tightness in the December option, even although holiday dullness became apparent early in the week in enquiries from overseas. At the same time some business in the May has appeared, suggesting further, although limited sales of wheat for export during the early months of the year.

Market is Thin

The wheat market continues of necessity to be a very thin one, and consequently susceptible to any sharp increases in demand which may come from variations in overseas buying. There is so little wheat for sale that exporters who have occasion to lift hedges have difficulty in finding someone from whom to buy. Spreading transactions between Winnipeg and other markets at a minimum because with the high premiums being paid overseas for Canadian wheat it is difficult for any trader to determine at any time whether the market is to be considered out of line or not. But Canada has already sold so high a percentage of her export surplus that there seems to be no reason to doubt the continuance of premiums for the remainder of the crop year.

• • •

Australia Pushes Sale

Australian wheat, at 50 cents a bushel less than Canadian No. 1 Nor., is now the principal bearish factor in the market. The Australian harvest seems to have been satisfactorily concluded, and farmers there are pressing wheat for sale. They are apparently alarmed over the slight prospect of being able to dispose of usual quantities in the Oriental market and are determined to secure a larger outlet in Great Britain and in Continental Europe. But they are being underbid on the Continent by shippers of white wheat from the Pacific coast states, which is of comparable quality, although in Great Britain, after the duty of six cents a bushel is paid, there is no great discrepancy in prices.

• • •

Argentine Prospects

Although the Argentine official estimate of the current year's wheat crop is 192 million bushels, the trade believes the effective quantity of wheat will be under that by from 10 to 15 million bushels. After setting aside 100 million bushels for home consumption, and 40 million bushels for Brazil and other South American countries, it has been calculated that Argentina may be able to ship to the United Kingdom and to the Continent no more than 20 million bushels. Such a calculation is probably too low, for there is nothing in the commercial situation to ensure a whole year's supply will be kept on hand for Brazil. Europe may quite possibly take, within the next few months, a good deal of the wheat which has been allotted by calculation to Brazil, leaving that country, in the later months of 1938, to secure its requirements from the United States. Indeed, American mills are now regarding such a development as reasonably probable, and are hoping to increase their flour exports to the southern hemisphere.

Commodities

Firmness first noted almost a fortnight ago in commodity prices appears to be continuing. Last week rises in those lines in which Canadians are particularly interested greatly outnumbered declines. Agricultural products produced in this country were all firmer and also industrial imports with exception of rubber. Weekly indices were steady.

Price Range

	Latest week	Previous week	Same week last yr.
Cattle	$8.00	$8.00	$6.35
Hogs	9.00	8.90	8.75
Copper, lb.	.11	.11	.11
Cotton, lb.	.0832	.0817	.12[illegible]
Rubber, lb.	.1500	.1537	.20[illegible]
Sugar, raw, lb.	.0320	.0320	.0[illegible]
Silk, lb.	1.58½	1.58	1.9[illegible]
Wheat, Man. (bus.)	1.37⅝	1.35⅝	1.2[illegible]
Coffee, lb.	.06¼	.06¼	.0[illegible]
Hides	.10½	.10½	.1[illegible]

Weekly Indices

	Latest week	Previous week	Same week last yr.
Canada (D.B.S.)	82.7	82.5	[illegible]
U. S. Labor	82.0	82.0	[illegible]
N. Y. Annalist	85.9	85.9	[illegible]
Fishers'	83.9	84.3	[illegible]
N. Y. Journal of Comm.	79.5	80.0	[illegible]
Crumps (Brit.)	77.4	77.3	[illegible]

Monthly Indices

	Latest month	Prev. month	Same month last year
Canada (D.B.S.)			
Retail (Nov.)	84.2	84.2	[illegible]
W'sale (Nov.)	83.1	84.7	[illegible]
U. S. (Oct.)	85.4	87.4	[illegible]
Gt. Brit. (Aug.)	111.4	111.5	[illegible]

Note: The base of indices is that of 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15 New York: Sugar — 96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North, Ft. Wm.-Pt. A. Basis: Hides—No. 1 packer light.

NOTICE

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, the twenty-sixth day of January, 1938, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 9th December, 1937.

DIVIDEND NOTICES

Montreal Tramways Company

Dividend Notice

NOTICE is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending December 31st, 1937, has been declared upon the paid up Capital Stock of the Company, to Shareholders of record, on Tuesday, the 4th day of January, 1938, at 4 o'clock p.m. and payable on Saturday, the 15th day of January, 1938.

By order of the Board,

PATRICK DUBEE,
Secretary-Treasurer.

Monday, December 20th, 1937.

Dominion Engineering Works, Limited

NOTICE is hereby given that a Distribution of FIFTY CENTS (50c.) per share out of the accumulated profits of the Company, for the year ending 31st December, 1937, has been declared on the No Par Value Shares of the Company, payable 15th January, 1938, to Shareholders of record at the close of business on the 31st December, 1937.

By Order of the Board,

F. W. EVENS,
Secretary.

Montreal, Que.,
21st December, 1937.

National Steel Car Corporation Limited

Notice of Dividend

Notice is hereby given that a dividend of fifty cents (50c.) per share has been declared, payable January 15th, 1938, to shareholders of record, at the close of business, December 31st, 1937.

By order of the Board,

CHAS. W. ADAM,
Secretary.

Hamilton, Ontario,
December 18th, 1937.

Farm Income at High Level

(Continued from page 1)

many years. Of even more importance these big crops have coincided with the best average prices since the depression. Considerable gains owing to better prices were reported in all other provinces with the exception of Saskatchewan.

Wheat Returns Down

The only big decrease in value has occurred in field crops, down $65 millions from a year ago. The loss is almost entirely due to the failure of wheat in Saskatchewan and a considerable section of Alberta. Aside from these areas, however, field crops have been larger this year than in 1936 and about as valuable per unit.

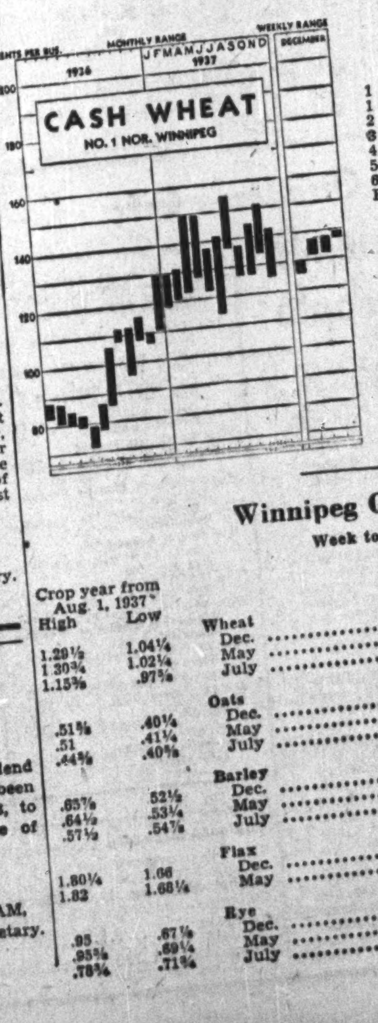
In practically all other lines except grain, however, agricultural revenue is up, being notably higher in livestock and dairy products and a little better in poultry and eggs. There was a sharp gain in the value of the tobacco crop this year but due to much heavier production, the price being easier than a year ago. Estimates for the current year with final figures for other years are as follows:

(000's omitted)

	*1937	1936	1935	1934	1933
Field crops	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Livestock	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Wool	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dairy products	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fruit and vegetables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Poultry and eggs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fur farming	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Maple products	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tobacco	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Clover and grass seeds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Flax fibre	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Honey	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	1,067,995	1,084,066	949,540	942,365	[illegible]

*Estimated.
†Revised.

Wheat Prices



(Cash Quotations)

	Per Week Dec. 21 High	Per Week Dec. 21 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	[illegible]	[illegible]	[illegible]	[illegible]
1 Northern	[illegible]	[illegible]	[illegible]	[illegible]
2 Northern	[illegible]	[illegible]	[illegible]	[illegible]
3 Northern	[illegible]	[illegible]	[illegible]	[illegible]
4 Northern	[illegible]	[illegible]	[illegible]	[illegible]
5 Wheat	[illegible]	[illegible]	[illegible]	[illegible]
6 Wheat	[illegible]	[illegible]	[illegible]	[illegible]
Feed Wheat	[illegible]	[illegible]	[illegible]	[illegible]

Competitive Export Prices:

Dec.-Jan. shipments:	Week to Dec. 21 High	Week to Dec. 21 Low
No. 2 North. (Atlan.)	[illegible]	[illegible]
No. 3 North. (Atlan.)	[illegible]	[illegible]
Australian, Jan.	[illegible]	[illegible]
Indian (new crop)	[illegible]	[illegible]
U. S. Hard Winters	[illegible]	[illegible]
Argentine (Rosafe)	[illegible]	[illegible]
Russian	[illegible]	[illegible]
U. S. White Pac.	[illegible]	[illegible]

‡Jan.-Feb. speculative offers.
†New crop, prompt shipment.

Winnipeg Grain Futures

Week to Dec. 21, 1937

Crop year from Aug. 1, 1937 High	Low		Open Dec. 15	High for week	Low for week	Close Dec. 21	Close year ago
		Wheat					
[illegible]	[illegible]	Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	July	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		Oats					
[illegible]	[illegible]	Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	July	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		Barley					
[illegible]	[illegible]	Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	July	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		Flax					
[illegible]	[illegible]	Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	July	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		Rye					
[illegible]	[illegible]	Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	July	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Supply of Seed Causing Worry

The Canadian Wheat Board has assumed a new rôle. Having liquidated its surplus stocks it is now acting as agent for the Saskatchewan Government in the accumulation of necessary seed supplies for next spring.

Collection of sufficient and suitable seed in this year of extremely short crops may be a problem. It is estimated that something in the neighborhood of 10 million bushels of wheat may be needed for relief areas.

Fears are expressed that farmers with some limited supplies of grain will be tempted by current high prices to dispose of what should be held for seed, and to rely on the government for spring supplies.

Grain Trading In 50th Year

Winnipeg Exchange Celebrates Golden Jubilee This Month

Fifty years ago this month Dec., 1887, grain trading on an organized basis first began in Winnipeg. The exchange started operations in a basement under the city hall with Sir Daniel McMillan the first president. Assisting him were the following officers, whose names are still familiar in present day grain circles:

G. F. Galt, vice-president; C. N. Bell, secretary-treasurer; management committee—A. Atkinson, N. Bawlf, W. A. Hastings, K. Mackenzie, D. G. McBean, J. A. Mitchell and S. Spink.

By 1892 western wheat was firmly established on the British market and Liverpool began to quote prices for Manitoba's wheat of which about 8,000,000 bushels annually were then being received in Great Britain. Interest in western wheat was sufficient to enable a market in futures to be established. That has been functioning ever since, except during and immediately after the war, and on the principles laid down at the outset.

As wheat production grew so did the business of marketing. In 1892 the exchange moved to larger quarters, and finally to its present location on Lombard Street in 1908. Presidents since reorganization have been as follows:

1908—John Fleming.
1909—Hugh N. Baird.
1910—George Fisher.
1911—D. H. Chisholm.
1912—Donald Morrison.
1913—Andrew Kelly.
1914—Alvin K. Godfrey.
1915—Sidney T. Smith.
1916—W. R. Milner.
1917—C. C. Gage.
1918—W. R. Bawlf.
1919—J. R. Anderson.
1920—J. E. Botterell.
1921—N. L. Leach.
1922—J. Leahman.
1923—J. C. Craig.
1924—C. C. Fields.
1925—E. MacLachlan.
1926—A. Thomson.
1927—R. W. Kneeland.
1928—James A. Crowe.
1929—W. A. Murphy.
1930—W. J. White.
1931—C. E. Hayles.
1932—Sidney T. Smith.
1933—H. E. Sellers.
1934—R. W. Milner.
1935—N. C. Reece.
1936—W. J. Dowler.
1937—Henry Gauer.

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HON. RODOLPHE LEMIEUX, K.C. · PAUL F. SISE · J. W. PYKE
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Investing In Wine

(Continued from page 9)

fortification tank and grape brandy added to give the desired alcoholic content. Sweet wines ordinarily have a higher alcoholic content than dry wines and natural fermentation will give from 15% or more of alcohol by volume. Not all wines are fortified and it seems to be generally true that the cheaper wines are sold with a higher average alcoholic content than the higher priced brands.

Beverage wines, such as claret and sauternes, which usually contain under 12% alcohol by volume, are produced in a slightly different fashion. After crushing, the grapes are pressed and the fresh juice run into closed wooden fermenters. For sauternes fermentation is slow and carried on at temperatures carefully kept below 80 deg.

Champagne is supposed to date back to 1668 and the accidental discovery of a Benedictine monk named Dom Perignon, at Hautvilliers on the Marne. Dom Perignon was head wine maker at the monastery and happened to place a bottle of fermenting wine away for some time. When [illegible] discovered and opened it was found that the wine had a peculiar and pleasant taste. Thus was discovered the simple principle that slow fermentation under pressure will cause wine to sparkle and effervesce.

Much champagne is still made by the primitive methods of Dom Perignon but science has also developed a new process. In the Charmat process developed in France but licensed for use in Canada, fermentation under pressure can be carefully controlled and a fine grade of champagne made from selected Canadian grapes.

The carbon dioxide that causes champagne to sparkle and effervesce is the same gas that causes ginger ale to bubble. The development of dry ice has led to the discovery that if a small amount of dry ice is added to wine it becomes carbonated and sparkles.

While there are some 50 companies producing wines in Canada, most of them are privately owned.

[illegible] red stock and $369,000 of $10 par common which is traded on the unlisted section of the Vancouver Stock Exchange. Dividends on the preferred have been paid regularly while 10% was paid on the common in 1936 and 7½% in 1935.

In the year ended April 30, 1937, the company had profits of $42,[illegible] compared with $39,876 in the preceding year. The 1937 profit was equivalent to approximately $1.07 a share on the common on which dividends of $1 a share were paid.

Canadian Wineries

Canadian Wineries Ltd., reports net earnings, before income taxes, for the six months ended Oct. 31, 1937, at $37,435 compared with a loss of $22,202 for the corresponding period of 1936. Sales for the period of six months showed an increase of 45% over last year. It is not expected that the rate of increase will be maintained for the second half of the year as the business is quite seasonal.

The company has sold its interest in the plant at Lewiston, New York, for $100,000. This plant has proved unprofitable with the loss amounting to $27,000 a year since its inception. Canadian Wineries operates six plants in Canada, the products of which are sold throughout the Dominion and Newfoundland. Their total capacity of 2.3 million gallons. Capitalization consists of 114,000 common shares. Last dividend payment on the stock was 1½ cents a share on June 29, 1935.

T. G. Bright & Co.

T. G. Bright & Co. is the largest company carrying on a wholesale retail business in Canadian wines which it makes in its own plant. The company's main plant at Niagara Falls has a storage capacity of approximately four million gallons. The company carries on business in [illegible] of Canada. The year ended July 31, 1937 was the best in the company's history, improvement being traceable to general betterment of business, company's policy of plant improvement [illegible]. Net profit was equivalent to $1.09 on the common stock against [illegible] cents in the preceding fiscal year. Dividends of [illegible] a share on the preferred and [illegible] cents a share on the common [illegible].

[illegible] has a preferred stock issue of $781,100 outstanding [illegible] $1 million, [illegible] common shares. The stock is traded on the Montreal Curb Market.

Growers Wine Co.

Growers' Wine Co. Ltd. makes and distributes loganberry and grape wine with wineries at Vancouver and on Vancouver Island.

At April 30, 1936 the company had a surplus of $100,277. Its capitalization consists of $30,000 in 7% prefer-

Week in Mining

Mining Markets Again Assert Independence

Strength All the Better For Lack of Inflation Motif—Agnew Opposed to Cut in Dollar

Failure of business and industry, particularly in United States, to emerge from what is still described as the "recession," is still the biggest force in all markets, and is largely responsible for the comparatively strong mining markets.

The mining market has many times behaved independently of the industrial market, and is doing so once more. One of the significant things about the present activity in gold stocks is the fact that the market appears to be almost completely free of the inflation talk which in the past has been a source of strength for the gold stocks. It seems to be pretty well accepted that before the United States Government reduces the value of the dollar it would resort to one of the many monetary moves possible, the leading three of which are: (1) release of more sterilized gold (2) use of the "gold profit" or (3) revision downward of reserve requirements.

That the gold share market could be as strong as it is without benefit of inflationary talk, is a healthy sign.

Agnew on Gold

Among the mining men whose opinions are held, internationally, in high regard is J. A. Agnew, chairman of the eminently successful Consolidated Gold Fields of South Africa. Speaking at the annual meeting of this company in London recently, Mr. Agnew had some pointed things to say about the international situation in general, and the future of gold in particular.

Of gold, Mr. Agnew has always been a stout champion

"I have seen it suggested," he said in this regard, "that one way out of the difficulty (current business recessions) would be a further lowering of the value of the dollar, thus giving effect to a so-called increase in the price of gold. On more than one occasion I have expressed myself very definitely regarding the value of gold, and the unlikelihood of its ever becoming, as many people have contended, valueless for currency or exchange purposes, and I have been equally definite in stating my personal opinion as to why the price of gold is not likely to fall below that at which it stands today in terms of sterling—approximately £7 per ounce. Holding these views, I can with equal force express the hope that the American Government will not reduce further the value of the dollar in order to escape the difficulties immediately confronting it."

* * *

"Well Meant But—"

Mr. Agnew went on to say that the original causes of the slump today were mainly psychological, and that the best way to restore confidence would be to demonstrate that trade and industry is to be granted a fair interval to work out its own salvation, "free from well-meant but often disturbing governmental intervention."

* * *

Interest in Canada

The apparently increasing interest which this well-financed concern is taking in Canadian mining has been one of the features of recent years. It has, in addition to its interest in Anglo Huronian Ltd., control of Yukon Consolidated Gold Corp. in the Klondyke, Yukon Territory. Mr. Agnew points out that the season's work on this property has substantiated the faith held in it, gravel reserves having been increased to 102 million cubic yards, from which it is estimated that working profit of over $22,450,000 will be won.

* * *

Dome Split?

Strength of Dome Mines stock recently, appears to have been partially due to the revival of rumors that the company planned to split its stock, two for one. These rumors were substantiated to the extent that an official statement from New York stated that directors were giving consideration to such a move. In any event, it would, of course, have to have the approval of shareholders before it became effective. At the present time, Dome has an authorized capitalization of only one million no par value shares, all of which is issued, and 973,334 outstanding, 26,666 being held in trust for the company.

Directors of Dome, which has been one of the bright spots in the year's mining, have declared quarterly dividend of $1 per share payable Jan. 20 to shareholders of record Dec. 31. Similar amount was paid in September.

Behind the proposed split is the fact that the steadily rising trend of Dome stock has made it virtually a rich man's stock. A doubling of the number of shares outstanding would, therefore, widen the distribution considerably.

* * *

U. S. Looks at Canada

There is increasing evidence that U. S. investors, many of whom have had their faith in the president completely shattered, are looking to Canada as a haven for their capital. Just how intense the search for a safe medium is can be seen in the fact that the recent rise in the price of diamonds is attributed by the trade not to any belated Christmas rush, but to the fact that some U. S. citizens believe that diamonds are the safest hedge against declining business. Just what diamonds have that gold hasn't isn't made clear.

In any event, advices from New York show that Canadian mines are beginning to interest U. S. capital to a greater degree than formerly.

U. S. capital will be given a concrete opportunity next February of learning something about the Canadian mining story. During the annual convention of the American Institute of Mining and Metallurgical Engineers, a Canadian Mining Exposition will be held in New York, in which, The Post understands, many of the leaders in the Canadian mining industry plan to tell their story.

Education along these lines is certainly needed if Canada is to get intelligent capital from across the border, and she certainly doesn't want any other kind.

* * *

Power for Barkerville

A further step in the modernization of Barkerville is being taken, with the announcement from that intriguing old camp that a private corporation has decided to go ahead with a power project in the Cariboo district.

Barkerville, which over 75 years ago was the honky-tonk, rough-and-ready, mecca for thousands who took part in the Cariboo stampede, has in the past few years become again active, although it has had to yield in importance to the modern little town of Wells, near to the lode operations of Cariboo Gold Quartz and Island Mountain. Barkerville, however, has been revived by the various placer operations going on in the surrounding hills.

Despite this increased activity, Barkerville today appears still very much as it was in the grand old days of the Cariboo boom—narrow streets, log shacks, hitching posts. Even though one might be strong for modernization, anyone who has visited this town cannot help but hope that its picturesque appearance, fraught with history as it is, will not have to be sacrificed.

* * *

Index to Mining Stocks

Three days of advance on Canadian mining stock markets with volume substantially heavier, more than cancelled recessions sustained in the first half of the week ended Dec. 16. The Dominion Bureau of Statistics' weekly average index of 24 mining issues remained unchanged at 132.3 for this period but the daily index registered a net gain of 3.2 points, reaching 134.9 on the closing day. Golds and base metals followed a parallel course, although movements were narrower in the gold section. Base metals led the final upswing, reflecting improved metal prices in world markets. Strength was also displayed by senior gold issues. The daily index for the gold section moved from 113.0 to 116.1 between Dec. 9 and 16, and base metals from 208.3 to 212.2.

CHAIRMAN OF C.I.M.M.

J. G. Webber, of Winnipeg, a mining recorder for more than 25 years, was elected chairman of the Manitoba branch, Canadian Institute of Mining and Metallurgy, at the annual meeting held recently. Clarence Henderson and Frank Baker were elected vice-chairman, while Gordon Hutt, assistant development engineer for the Canadian Pacific Railway, retiring chairman, was appointed secretary-treasurer.

Price Increase Aids Eldorado

Uranium Products Dearer by 18% After New Year

Eldorado Gold Mines, which produces between 7,500-8,000 lb. of uranium in turning out a gram of radium, will benefit by an increase in the price of uranium products, which become effective the first of the year and will amount to about 18%, the company reports. The mill at Great Bear Lake, from which sufficient silver-radium-uranium concentrates have been shipped to railhead to keep the Port Hope refinery operating 'till the summer of 1938, has been completely overhauled.

The company plans to continue shaft sinking to the first level at its Bonanza property this winter. Raising from the Nos. 1 and 2 veins has given encouraging results, reports Gilbert LaBine, president, and work has produced favorable showings at the No. 2 or Gulch shaft.

Report Good Values At Central Cadillac

Vein No. 8 at the Central Cadillac Gold Mines property, adjoining O'Brien, has been drifted on for over 230 ft., showing consistent values over drift width, G. A. McTeigue, president reports. Where intersected, vein No. 9 showed high values. Drill hole No. 27 shows width of over 3 ft. of quartz.

Central Cadillac has notified the Montreal Curb Market that so far 399,580 shares at 25 cents a share and 8,000 shares at 30 cents each have been taken up under terms of the option agreement. There remain under option 90,420 shares at 25 cents, 492,000 at 30 cents and 249,993 shares at 40 cents each, a total of 832,413 shares. Option agreement expires in August, 1939. Total of 2,167,587 shares have now been issued, leaving 840,413 shares in the treasury.

News Concentrates

Barber Larder Gold is advised that a large tonnage of commercal ore has been indicated by assay results from holes drilled along the eastern section of the ore zone. It is conservatively estimated that underground mining to the 250-ft. level should provide sufficient tonnage to supply a 500-ton mill for at least two years. Drilling to vertical depth of 400 ft. indicates the downward extension of the ore as to width and value.

* * *

Bidgood Kirkland Gold Mines reports November production at approximately $31,887 from 4,230 tons of ore milled, an average of $7.54 per ton, as against $40,876 in October, when 4,107 tons were treated. Production for the first 15 days of December is estimated at $21,000. J. H. C. Waite has resigned as president and director, being succeeded by W. J. Lawson. It is understood R. A. Bryce, a director, appointed at the same time as Mr. Waite, will also resign.

* * *

Bloom Lake Consolidated suspended drilling at its Matachewan property November last due to cold weather, reports J. H. Dickson, president. No. 1 vein was diamond drilled during the past summer.

* * *

MacFarlane Long Lac has received shareholders' approval of proposal to increase its capital from 3,000,000 to 4,000,000 shares to allow company to raise further funds, install a Diesel plant and expedite development underground. Shaft has been carried to 140 ft. by hand steel. After station is cut, a crosscut will be started to zone about 40 ft. away.

* * *

Manor Gold Mines has dewatered all underground workings to 500-ft. level, where shaft is bottomed. H. E. Mills, president, reports that sampling is progressing on first level at 215 ft., where 1,200 ft. of lateral work was completed in previous operations.

* * *

Straw Lake Beach Gold is continuing drifting in ore both east and west from crosscut on 425-ft. level, the east end showing important grade. It is reported that about 60% of good ore has been opened in east drift, showing width of 33 in. and average of $40. Last faces from mine are reported as 40 in. running $8.91 and 35 in. showing $15.90. West drift is showing moderate grade, a test hole into the wall running $17.50. On completion of further exploration at this horizon, it is understood company may be in position to announce mill plans.

* * *

Young-Davidson Mines reports November production at $102,329 from treatment of 29,030 tons of ore, an average of $3.52 per ton. This compares with output of $97,985 from 29,894 tons milled in October, average recovery being $3.28 per ton. November operating expenses totalled $72,032, leaving profit of $30,297, as against expenses of $70,809 and profit of $27,176 in October.

* * *

Crescent Kirkland Gold Mines which has arranged to provide funds for development of the Planet Gold Mines property in Boston Creek area, Ont., has moved shaftsinking equipment to Planet ground, and will erect a 20-25-ton test mill to bulk sample the ore. Shaft sinking is expected to start shortly.

* * *

Jellicoe Consolidated has so far completed 500 feet of crosscutting, opening three levels into the ore zone, according to S. J. Kidder, consultant. Drifting has advanced about 200 feet. Results are reported as encouraging, schedule having been fully maintained. Shaft was finished in October last.

* * *

Porcupine Triumph Gold has completed 3,000 ft. of drilling on its property in Deloro twp., Porcupine district of Ontario. Company reports structural information disclosed by diamond drilling to 500-ft. horizon shows that vein carries average width of nine feet to that level. Active underground development work is scheduled to start shortly.

Inco to Build Low Cost Mill

Project to Cost Several Million Dollars in 1938

From Our Own Correspondent

SUDBURY.—Definite decision has been made by The International Nickel Co. to proceed with construction of a low-grade milling plant adjoining its present concentrator at Copper Cliff, the unit being designed to treat Frood mine surface ore which will be shovelled in open pit method in a programme of low-cost operations.

The project, to be rounded out during 1938, will cost several million dollars, Robert C. Stanley, president of the company, said here previous to leaving for Montreal following a three days visit to the mines and plants in the district.

It is expected the mill will have a capacity of between 4,000 and 5,000 tons daily. Open pit mining at the Frood will probably be carried to a depth of from 300 to 500 ft.

Inco's technical staff is at present engaged in working out the details of the mill installation. Foundations have already been laid, but further operations will not be undertaken until the severe winter weather is past.

As intimated when the project was first mooted, it is designed to balance ore treatment and production of metals and will not mean any important increase in output. The new concentrator will be available for operation in the late summer or early fall of next year.

The new shaft at the Levack mine is now down to a depth of 500 ft. on the way to its objective of 2,000 ft. The shaft is of the same size as the new No. 5 at Creighton mine. New surface buildings have been roofed in and a permanent headframe will be erected later when the shaft is at a greater depth.

When in Sudbury, Mr. Stanley stated that International Nickel sales of metals were keeping up well. While there had been a decline of business in the United States, demand in the United Kingdom and other countries was being maintained at high levels, making up somewhat for the reduction in the American market. Taking into account the trend of conditions in the United States and the lower price of copper, it is probable that fourth quarter earnings may not equal those of the previous three months. In any event, the outlook was generally satisfactory, Mr. Stanley said.

Sheldon-Larder Strongly Financed

Underwritings Provide $885,490 if Completed

Sheldon-Larder Mines, which is conducting an extensive drilling campaign at its property adjoining Kerr-Addison on the southwest, has received $97,990 through firm underwritings by Toronto interests. If completed, option agreements outstanding will provide the company with approximately $885,490.

As Sheldon-Larder is sufficiently financed for its immediate development programme, the installments shown below as payable Dec. 1, 1937, have been extended to the next due date, March 1, 1938, it was explained to The Financial Post.

Information filed at Queen's Park shows that by underwriting agreement dated June 19 last B. T. Riordan, of Toronto, agreed to buy 125,000 shares of Sheldon-Larder at 20 cents, payable forthwith. The company granted him options to buy its treasury shares as follows: 93,750 shares at 30 cents per share, payable on or before Dec. 1, 1937; 93,750 shares at 40 cents per share, payable on or before March 1, 1938; 187,500 shares at 60 cents per share, payable on or before March 1, 1939, and 56,250 shares at $1 per share, payable on or before March 1, 1940.

Underwriting agreement with Globe Investments, Ltd., of Toronto, dated June 19 last, provides for the purchase of 250,000 shares at 20 cents per share, payable forthwith. Additional options follow: 187,500 shares at 30 cents per share, payable on or before Dec. 1, 1937; 187,500 shares at 40 cents per share, payable on or before March 1, 1938; 375,000 shares at 60 cents per share, payable on or before March 1, 1939, and 112,500 shares at $1 per share, payable on or before March 1, 1940.

Option agreement with Ross Kennedy, of Toronto, dated June 19, 1937, provides for purchase of 114,950 shares at 20 cents, payable forthwith and additional options as follows: 31,250 shares at 30 cents, payable on or before Dec. 1, 1937; 31,250 shares at 40 cents per share, payable on or before March 1, 1938; 62,500 shares at 60 cents per share, payable on or before March 1, 1939, and 18,750 shares at $1 per share, payable on or before March 1, 1940.

Canadian Mines to Exhibit In Special N. Y. Exposition

Timed to coincide with the annual meeting of the American Institute of Mining and Metallurgical Engineers in New York during the week Feb. 14 to 19, a Canadian Mining Exposition will be held in Grand Central Palace, under the direction of Metallurgical Exhibits Inc of that city. W. H. Minton is president.

Behind the exposition is the idea that Canadian mining needs United States capital, and vice versa. Plans, which have been under way for some time, are well advanced, and among the exhibitors will be, The Financial Post is informed, Dominion Department of Mines and Resources, Ottawa; Province of Quebec Bureau of Mines; Canadian Pacific Railway; Government of Newfoundland; American Institute of Mining and Metallurgical Engineers; Consolidated Mining & Smelting Co.; The Dorr Co. Inc.; Hardinge Co. Inc.; International Nickel; Co. and Johns-Manville Corp.

It is planned to include in the exhibit all branches of the mining industry from asbestos to zinc.

One of the important functions of the week will be a banquet at the Waldorf-Astoria on Feb. 15, at which Hon. T. A. Crerar, federal minister of mines and resources, Sir Edward Beatty, chairman and president of the Canadian Pacific Railway, and other outstanding Canadians have been invited to speak.

The Canadian Institute of Mining and Metallurgy in its November Bulletin have expressed a cordial attitude to the Exposition.

Initial Well Yields 500%

Turner Valley Royalties Returns Nearly 5 Times First Cost

From Our Own Correspondent

CALGARY.—Turner Valley Royalties, crude discovery well, returned almost five times its cost between June 16, 1936, when it was completed and October 31, 1937, it has been estimated. The gross revenue in this period was $612,000. The company is obtaining a price of approximately $1.50 a barrel of 35 gallons for its product, the price fluctuating slightly with slight changes in gravity.

Royalite No. 4, the naphtha discovery well, yielded a greater return at the peak of its productive life in 1925 due to the fact that $3.85 a barrel and more was being paid for naphtha at that time and there was no conservation, the well being "pushed" to the limit. This "wonder well" yielded at one time more than 700 barrels a day and produced about 600 barrels a day for a long period. For several years it has ceased production, coincident with the exhaustion of the naphtha area of the valley field.

Big Return

Turner Valley Royalties produces a much greater quantity of oil than Royalite 4 ever did, the yield at times exceeding 1,200 barrels a day. One royalty unit which cost $1,500 before the completion of the well has returned $5,044 to the holder up to the end of last October.

Sunset drilling in the lime at 350 ft. was put on production last week-end. Richland 2 and West Flank 3, Brown 3 and 24 other wells at various stages above the limestone—a survey disclosed intensive activity in the valley.

Apart from these wells, locations have been made, cellars dug or derrick erected for 14 new wells, some of which may be spudded during the next few weeks. Of the wells in the limestone, West Flank 3 is the closest nearest completion. Richland 2, located just south of the B. and B. producer, resumed drilling in the lime last week and should be completed within a few weeks. Brown 3 encountered the lime this week. Drilling will be resumed within ten days.

Potential of the West Flank 1 well, recently completed in Turner Valley, has been set at 425 barrels daily. National Petroleum Corporation 1, the other recent completion, continued to yield at a steady rate of between 62 and 65 barrels of crude an hour last week-end.

Green-Valley Banner

Expectations are that the limestone will be reached at the Green-Valley Banner well, one of the most interesting wells in Alberta, outside Turner Valley, in another 150 ft. This well is located on a structure southwest of South Turner Valley. Recently a strong flow of gas was encountered in the Dalhousie sands.

Government engineers are busy in the field these days determining the potential of valley wells. It was reported Turner Valley crude would be treated in the refinery of the North Star Oil Company at St. Boniface, Manitoba, within 30 days. A trial shipment was recently run through the refinery.

Sanction Dissolution of Treadwell Yukon Co.

Shareholders of Treadwell Yukon Co. have approved a reorganization plan whereby its assets will be transferred to Treadwell Yukon Corp. for a stock consideration and the assumption by the latter company of certain of its liabilities, F. A. Hammersmith, secretary, advises The Financial Post.

When the reorganization becomes effective, Treadwell Yukon Co. will be dissolved and its assets distributed to shareholders in the form of a final liquidating dividend.

Mining Company Charters

Beaumetz Rouyn Mining Syndicate — Ont. incorp., Dec. 1, 1937. H. O. Toronto. Author. cap. 3,000 shares, $1 par.

Ben-Arch Mines—Ont. incorp., Dec. 1, 1937. H. O. Toronto. Auth. cap. 5,000 shares, $10 par.

Kayrand Mining & Development—Ont incorp Nov. 24, 1937. H. O. Toronto. Auth. cap. 3,000,000 shares, $1 par.

Rocdor Mines — Que. incorp., Nov. 22, 1937. H. O. Val d'Or, Que. Auth. cap. 3,000,000 shares, $1 par.

Wormald Placers—B. C. incorp. Dec. 6. 1937. H. O. Vancouver, B.C. Auth. cap. 100,000 shares, $1 par.

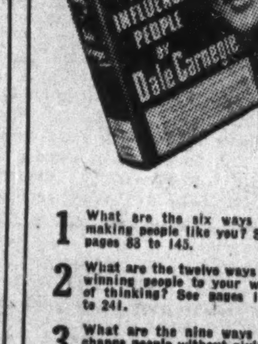
CAPITAL INCREASE

East Malartic Mines—By Quebec supplementary letters patent Nov. 22, 1937, has increased its capital from 3,000,000 to 4,000,000 shares, $1 par, by creation of an additional 1,000,000 shares of $1 par value.

SURRENDER OF CHARTER

Powell Rouyn Gold Mines—Ont. incorp., Dec. 28, 1933, has surrendered its charter and will be dissolved upon and from Dec. 27, 1937.

Silver Star Mines—B. C. incorp., will wind up voluntarily by special resolution passed Nov. 15, 1937.



An Ideal Christmas Gift

How to Win Friends and Influence People

By DALE CARNEGIE

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1 What are the six ways of making people like you? See pages 83 to 145.

2 What are the twelve ways of winning people to your way of thinking? See pages 149 to 241.

3 What are the nine ways to change people without giving offense or arousing resentment? See pages 245 to 283.

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Mining Dividends

	Rate	Close Dec. 20	Yield %
Anglo-Huronian	20c	3.50	...
Beattie Gold	5c	1.28	...
Bralorne	40c+35c	8.05	*9.3
Buff. Ankerite	50c+22½c	13.50	*5.3
Bulolo Gold	$3	26.87	...
Can. Malartic	†5c	1.00	...
Cariboo	10c+1½c	1.70	*6.9
Central Patricia	12c	2.40	5
Coniagas	12½c	2.25	5.5
Coniaurum	10c	1.50	*6.7
Cons. Smelters	$1+$2.50	59.25	*5.9
Dome Mines	$4	52.50	7.6
Falconbridge	30c	5.10	5.8
Gunnar Gold	†3c	.75	...
Hollinger	65c+45c	13.00	*8.4
Howey Gold	4c	.28	...
Hudson Bay	$1.75	24.00	7.3
Inter. Mining	90c	8.00	11.2
Inter. Nickel, com.	$2+25c	45.25	*5
Island Mountain	5c	.68	...
Kerr Lake	5c	.40	...
Kirk. Lake	9c	1.31	...
Lake Shore	$4+$2	50.25	*11.9
Lava Cap M.	15c	.93	...
Little Long Lac	40c	5.05	8
Macassa	20c	4.90	4.1
McIntyre	$2	38.00	5.3
McKenzie Red Lake	9c	1.00	...
McKinley Sec.	5c+2½c	.35	...
Noranda	$3.25	55.00	5.9
Nor. Can. Mining	6c	.66	9.1
Nipissing	37c	2.00	..
Placer Develop.	$1.20	15.00	...
Premier	12c+4c	1.93	*8.3
Pioneer, B.C.	40c	3.05	13.5
Pickle Crow	40c	5.15	7.7
Reno	12c	.61	...
San Antonio	14c	1.37	10.2
Sheep Creek	8c+10c	.92	*10.9
Siscoe	20c+2c	3.35	*6.5
Sudbury Basin	10c	3.00	3.3
Sullivan Cons.	5c	1.00	5
Teck-Hughes	40c+10c	5.30	*9.4
Toburn	8c+1c	2.20	*4.1
Ventures	25c	6.15	...
Wright-Harg.	40c+30c	7.45	*9.4
Yankee Girl	1c	.23	...

‡Interim. †Initial.
*Yield includes bonus.

Inter. Petroleum Production Grows

A new high record in production of crude petroleum was reached by International Petroleum Co. in November. Apparently the company is benefitting from the increased drilling activities

Crude production in Colombia totalled 1,784,810 bbls. in November, in addition to which 12,815 bbls. of natural gasoline was produced. This compares with 1,799,209 bbls. in October and brings the year's total to 18,261,790 bbls.

From Peru oilfields, International Petroleum obtained 1,181,673 bbls. in November, making the year's total from this field 13,490,541 bbls.

Daily average production reached a new high level in November at 98,883 bbls. against 95,067 bbls. for the 11 months of 1937.

Monthly Crude Oil Production

1937	Peru bbls.	Colombia bbls.	Total bbls.	Daily Aver.
Jan.	1,263,598	1,660,900	2,924,498	94,339
Feb.	1,152,876	1,597,061	2,749,937	98,212
Mar.	1,272,864	1,594,896	2,867,760	92,508
Apr.	1,222,394	1,635,478	2,857,872	95,262
May	1,238,046	1,653,066	2,891,112	93,262
June	1,217,028	1,711,126	2,928,154	97,605
July	1,254,068	1,672,907	2,926,975	94,419
Aug	1,246,306	1,559,146	2,805,452	90,498
Sept.	1,206,569	1,593,191	2,799,760	93,325
Oct.	1,235,120	1,799,209	3,034,329	97,882
Nov.	1,181,673	*1,784,810	*2,966,483	98,883
	13,490,541	13,261,790	31,752,331	95,067

*During November, 12,815 barrels of natural gasoline was also produced at the Colombia field.

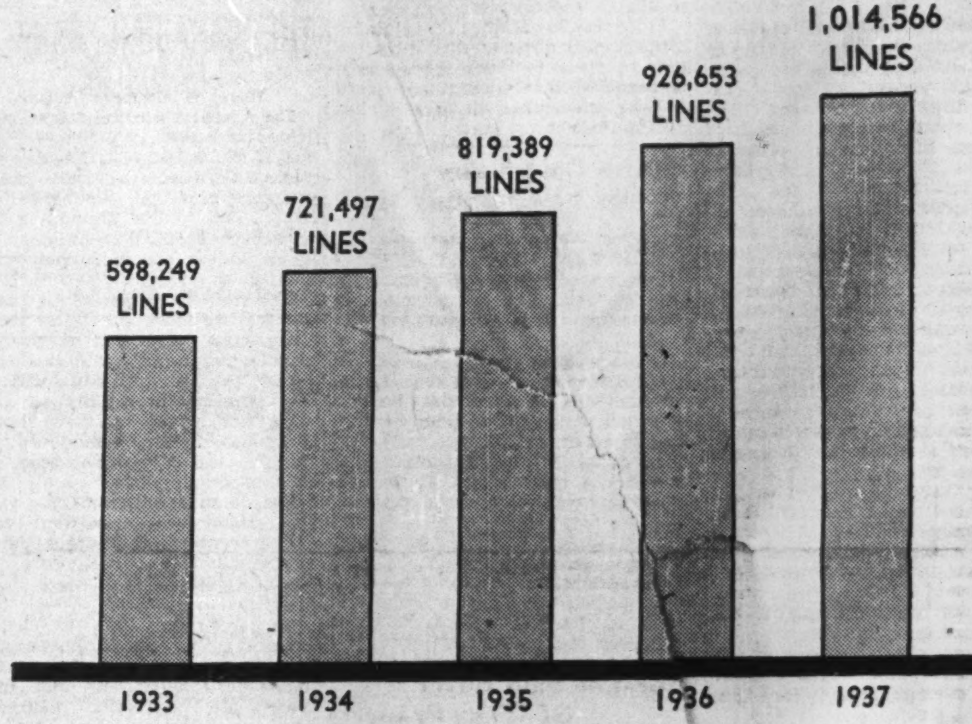

Chart shows steady growth in Advertising Linage in The Financial Post

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D.M.Gowdy

BUSINESS MANAGER

DECEMBER 25th, 1937

Canadian Gold Output Jumps

October Returns From Producers Show Increases

During the ten months ended October last, output of gold in Canada aggregated 3,376,121 oz., compared with 3,095,435 oz. a year ago, the Dominion Bureau of Statistics reports. Manitoba and Saskatchewan operations recorded a sharp increase, producing 19,729 oz. of gold in October to bring the cumulative total for the year to 191,448 oz., or 25% above the output a year ago.

In the month under review, Ontario reported an advance of 3.1% in gold production, output totalling 217,118 oz. as against September production of 210,680 oz. Quebec's output increased 5.4% in October to 64,268 oz. from the preceding month's production of 60,995 oz. For the first ten months of 1937, Quebec's production rose 4.2% to 581,156 oz. as compared with the period January to October, 1936.

British Columbia projects extracted 47,614 oz. in October as against previous month's output of 46,254 oz. Alluvial gold production in the Yukon dropped in October to 7,975 oz. as compared with 8,158 oz. in the preceding month and 7,446 oz. in October, 1936.

Nova Scotia's output of 2,132 oz. during October was the highest on record for 1937, comparing with production of 1,646 oz. in September.

Shawkey Plans Capital Boost

Need More Funds for Exploration and Development Work

In order to obtain funds for increasing mine development and exploration, Shawkey Gold Mines, Quebec producer, plans to increase its authorized capitalization from $3.5 millions to $4.5 millions. A shareholders' meeting will be held in Toronto on Dec. 21 to approve this plan.

In presenting the annual report of the company, J. Robert Shawkey confirms the fact that there is no profit in the present scale of operations at Shawkey. However, Mr. Shawkey states, in view of the fact that at very little cost the mill capacity could be increased, and greater tonnage treated, or, on the other hand, a higher grade of millfeed obtained by more selective mining methods, a more energetic exploratory and development programme is needed. For this reason, the company plans to augment its treasury.

The statement of operations covering the 18 months period from commencement of operations production, Feb. 29, 1936, to Aug. 31, 1937, shows that without providing for depreciation, but after deferred development written off at $1 per ton, a loss of $5,342 resulted.

During the period the mill handled 74,305 tons of ore. Vincent M. Ryan, mine manager, states that omitting the four months during which shaft work was in progress, average millheads were $7.65. These were somewhat lower than anticipated, due, Mr. Ryan says to dilution.

Ore reserves at the end of the period amounted to 77,000 tons. No overall average grade for these reserves is given.

In the balance sheet as at Aug. 31, 1937, current assets, including cash of $26,343 totalled $118,365, against accounts payable and accrued payroll of $16,024, and the loan, which is payable in installments, of $150,000.

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Outline Position Of Read-Authier

Major Equity Is Interest in Lamaque and Sigma Mines

In an interim report on conditions at Read-Authier Mines Ltd., a holding company, Louis Brochu, president, reviews the progress made by Lamaque Gold Mines, in which Read-Authier holds 700,000 shares and by Sigma Mines (Quebec) Ltd., in which Read-Authier holds 378,518 shares and points out that the company's equity in both these mines has proved a very profitable one.

Nu Sigma Gold Syndicate Ltd. in which Read-Authier Mines holds 6,724 shares, possesses two million of the 2.2 million shares issued by Auriac Mines Ltd., thus being enabled to distribute 200 shares of Auriac for each of its 10,000 units outstanding at such time as the necessary permission is obtained to make the distribution.

Four Assets

Auriac possesses four assets:

1. A group of claims adjoining Sigma to the north, known as block one.
2. 1.2 million shares of Numaque Mining Co. whose property was formerly known as block two.
3. A group of claims adjoining the easterly extension of Lamaque known as block three.
4. Approximately $7,000 in cash.

Numaque Mining Co. has 1.9 million shares outstanding and approximately $125,000 in the treasury. This company is awaiting the final report of consulting engineers which is officially not expected to be favorable. In such an event, it is anticipated that directors of Numaque will decide to discontinue operations on the property until results in the neighborhood warrant giving further consideration to the claims. It is probable that the board will then convene a special meeting of shareholders to study the report and consider whether it is desirable to authorize directors to utilize the funds on hand in such a manner as they may deem advisable.

No attempt has been made to do development work on blocks one and three apart from one hole drilled by Sigma Mines, one half of the cost of which was born by Auriac. No results of interest were obtained.

From results obtained on adjoining properties it appears that attention may be given to block three and it is expected that preliminary work will be undertaken on these claims during the coming year.

Perron Gold Mines Sets New Monthly Mark

From Our Own Correspondent

MONTREAL.—Perron Gold Mines report a production in November of $108,569, being the largest monthly production in the history of the mines.

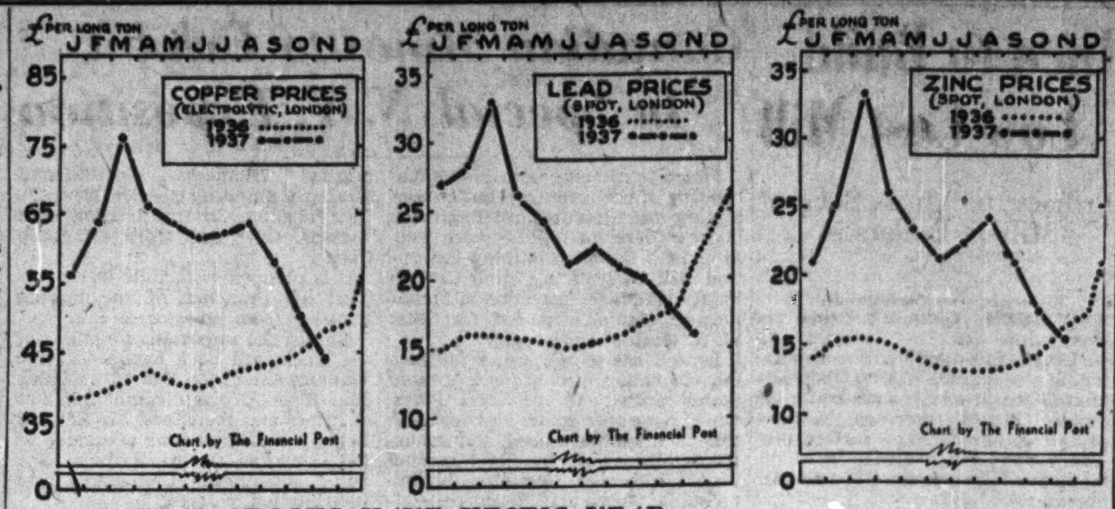
In his progress report, J. P. Norrie, general manager, states that during the last half of November the mill operated at 95.47% of possible running time on an average daily tonnage of 321.8 tons. Extraction was 98.46%. A total of $55,721 was recovered, being an average grade of $11.28 a ton.

Development work on the 600-ft. level on vein 618, 619, 620, 621 and 624, he states, indicates that the mine has encountered another important zone. All faces in these drifts are in excellent ore, he adds.

Noranda Said Buyer Of Miller Property

From Our Own Correspondent

QUEBEC.—Noranda Mines, which is reported to have purchased the Miller mining limits, 60 miles from Gaspé, is expected to start operations July next, by which time the road leading to the mine will be completed. Road is now under construction and will be pushed to completion next spring.



BASE METAL STOCKS HAVE HECTIC YEAR

That the course of base metal prices has not run smooth this year can be seen from the above charts, which compare price fluctuations in copper, lead and zinc in 1937 with the 1936 behavior. It will be seen that the markets for these commodities this year lacked the steadiness which was a feature of 1936. Copper's destiny is largely in the hands of the cartel, which controls most of the world's production, exclusive of Canada. Lead and zinc have no such support, and prices are, to a greater extent, dependent on the delicate balance between supply and demand.

Slump Pulls Down Metals

Drop in U. S. Business Key to Future of Copper, Lead, Zinc

With market interest in the base metal stocks at a low ebb, prices are now more in line with what they were before the big speculative boom of late 1936 and early 1937. The base metal index of the Dominion Bureau of Statistics stood at 212.2 on Dec. 16 as compared with 320.5 a year ago. This figure of 212.2 culminated a slight upswing in market prices, reflecting some improvement in London metal prices.

The world statistical position of the three metals in which Canada has the biggest stake, copper, lead, and zinc, shows some justification for the decline in market values of base metal shares.

The accompanying charts tell the story of metal prices for the past two years. It is noticeable that in the case of all three metals, particularly copper, the trend of prices in 1936 was much steadier than the corresponding prices this year, when great peaks were reached, only to be followed in every case by declining world prices, until by the end of November, prices generally were at a lower level than a year ago, and still pointing downward. A year ago the metal price trends were definitely upward.

Moral of Copper's Action

The sharpest fluctuations in metal prices have been in the case of copper, of which last year Canada's production totalled over 421 million pounds, valued at over $35.5 millions. This year's production will probably exceed this, although not by as wide a margin as had previously been thought.

The story of copper in the past 12 months has made one thing abundantly clear, and that is that the volatile nature of world production tends to prevent any sustained higher price. So rapidly can operating mines step up their production, new mines come into production and idle mines step back into production, that supply overtakes demand with amazing rapidity, despite the powerful cartel which controls the major part of the world's copper production. This is the moral of this year's copper story.

At the present time this cartel is continuing to restrict the output of its membership (which doesn't include Canadian mines). Earlier this year, all production restrictions were removed. So great and rapid, however, was the world production, and so sudden the drop in United States consumption, that increasing world stocks forced a resumption of production restrictions by the cartel, and output is now curtailed to 105% of theoretical capacity, with rumors of a further reduction to 85%.

On the whole, it is evident that major world producers of copper are not particularly anxious for the world price to fluctuate much between 10 and 12 cents per pound, which augurs well for future stability.

At the present time, much of the uneasiness behind the copper picture centres on the United States situation, where declining business has cut rapidly into copper consumption. In the rest of the world, demand for copper continues fairly strong, with such countries as Japan and Russia actively in the copper market. Thus once more the copper picture has two sharply divided aspects, United States, and the rest of the world.

The following table shows clearly how the copper jam at the moment is centred in United States:

COPPER STATISTICS

	(tons) Nov., 1937	(tons) Oct., 1937	(tons) Nov., 1936
Refined Stocks			
United States ..	221,670	182,910	161,040
Rest of world ..	192,170	200,250	192,110
Total	413,840	383,160	353,150
Apparent Consumption			
United States ..	33,890	44,590	82,410
Rest of world ..	120,690	114,190	78,700
Total	154,580	158,780	161,110
Production*			
United States ..	68,890	80,790	70,340
Rest of world ..	108,870	116,200	99,730
Total	177,760	196,990	170,070

*By mines and smelters.

It will be seen from the above that United States consumption has dropped with devastating abruptness, whereas consumption throughout the rest of the world is at a much higher level than it was a year ago. At the same time, refined stocks in United States have been piling up, whereas in other countries, they remain at very nearly the same figure as they were a year ago.

Generally speaking, therefore, the general world condition is not unduly alarming, and demand for copper is brisk. If the business slack-off in United States spreads to an equal degree in other parts of the world, the story may change. In any event it is known that the copper cartel stands ready to take immediate action further to curtail production if the situation becomes acute.

Key to the future course of copper within the United States, the trade believes, will be found in the general industrial activity in January and February next.

Lead and Zinc

Both lead and zinc lack the stability which the cartel gives to copper production. From time to time attempts have been made to organize the producers of these metals, but for various reasons these attempts have not been successful. For one thing, these two metals are usually found in association with some other metal, and control of production is therefore rendered more difficult. For the same reason, of course, Canadian copper producers, such as Noranda and International Nickel have not joined the world copper cartel. In addition, much of the world production of lead and zinc comes from government, subsidized mines, such as in Germany, where restriction of production is not allowed.

The prices of both lead and zinc have followed almost parallel courses, as can be seen from the accompanying charts, rising to a peak in March, and sliding off gradually until at time of writing, despite some recovery in London prices, they are both considerably below the level of a year ago.

Victim of Speculators

Because of the fact that in Canada, lead and zinc are produced as by-products, such a decline is not as serious as it might appear. During the depression—the 1929-1933 one—Canada's major producers of lead and zinc, Consolidated Mining [illegible] Smelting Co., and Hu[illegible] ing & Smelting Co., [illegible] carry on profitably, [illegible] the other metal content in their ores. Younger concerns which resumed milling plans after the price rise of a year ago, have not altered their plans in view of the general weakness.

Both lead and zinc were victims of the speculators, whose activities are held largely responsible for the quick rise, and quick collapse, earlier this year. As with copper, however, a contributing factor was the sudden increase in output, particularly from scrap or secondary lead and zinc, which followed the higher prices.

As for the future, little can be said, except to repeat that the trend of industrial activity early next year will show what 1938 holds for both these metals. The uncertainty which surrounds business at present reflects itself in the base metals. If the present "recession" is of short duration, it seems apparent that the bottom has been reached in base metal prices.

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Orelia Mines

Shareholders of the old Golden Star Consolidated Mines are, I understand, being offered rights in Orelia Mines. Please enlighten me on the prospects of the latter company.

Orelia Mines was incorporated in August, 1936, to acquire the assets of Isabella Mines (held by Golden Star Mining Syndicate), Golden Star Mining Syndicate and Seine River Mines, the holdings totalling eight patented claims on the south shore of Vermilion Lake, northwestern Ontario. Exchange was on a share-for-share basis. Shareholders of Golden Star Consolidated Mines, which company went into bankruptcy, were given one share in the new company for each share held.

While we have no details of the price at which rights will be offered shareholders of Golden Star, the results obtained from the property to date do not appear to warrant classifying this proposition as anything but speculation.

Kirkland Gold Rand

Kindly outline for me set-up of Kirkland Gold Rand. I should be glad to have your opinion of the prospects for this company.

Kirkland Gold Rand, incorporated in Ontario in 1931, took over assets of Kirkland Premier Mines in consideration of 1,000,000 vendor shares. Kirkland Premier has surrendered its charter and stock has been distributed to Kirkland Premier shareholders on basis of one Kirkland Gold Rand for three Kirkland Premier.

The property, in Kirkland Lake area of Ontario, has been developed sporadically, but has not yet demonstrated that it is anything else but an out-and-out prospect. Stock was sold in England at prices which bore little or no relationship to the actual developments at mine.

Last financial statement we have seen was dated March 31, 1937, and showed cash and Dominion of Canada bonds of $128,881 and accounts payable and accrued wages of $4,610, leaving a net working capital at that time of $124,271. On that date total outstanding capital stock, including 1,000,000 shares distributed to Kirkland Premier shareholders, was 2,310,895 of an authorized 3,000,000 shares.

At present, work is continuing down to 1,450-ft. level, officials claiming to have obtained some encouragement.

The Bey Mines

I have in my portfolio some shares of The Bey Mines, about which company I have heard very little for some time. Please give me what you have available on this company.

The Bey Mines holds property of 1,400 acres in Barrie twp., Frontenac county, and Anglesea twp., Addington county, Ont., acquired from Ore Chimney Mining Co. for 2,900,000 shares. A shaft is down to 400 ft. and a winze to 505 ft. There is a partially completed mill on property. Our records indicate that The Bey Mines has been idle for several years, although some attempt was made a few months ago to refinance operations.

The latest financial statement, showed a first mortgage of $60,500 outstanding against the property, in addition to interest overdue, of $7,260. Other debts we understand, total some $16,000.

Vulcan Oils

I am interested in the earnings future for Vulcan Oils, in which I hold some shares. Any information you may furnish will be appreciated.

Vulcan Oils Ltd. has an extensive stake in Turner Valley developments but is not on a regular basis. The company, which obtains its income from royalties in various wells, paid 5 cents per share on June 15 of this year and will pay another 5 cents on Dec. 20 next. These are the first dividends to be paid by Vulcan.

Among royalty interests held are: 4¾% in Carleton, 3½% in Sterling, 10% in Sovereign, 10% in B. & B., 13% in Turner Valley Royalties, 5% in Newfold, 3% in Westside and 4,000 shares in National Petroleum Ltd. Thus the company has an interest in several profitable undertakings, which should brighten unimpressive earnings record of the past.

At Feb. 27 last, current assets amounted to $65,458, of which $54,546 was cash in the bank. Against this, current liabilities were $150,000, with provision for income tax $4,012. An investment in any oil stock represents a speculation, because the earnings of such companies are at the mercy of such factors as proration, fluctuations in the price for their products and, of course, geological hazards. Nevertheless, Vulcan has profited considerably by recent developments in Turney Valley.

Dome Mines

How do you regard the picture presented by Dome Mines? I would like particularly to know if earnings per share are likely to show an increase this year.

Indications are that Dome Mines will show improved earnings over the $4.39 per share earned last year. Any increase in operating costs should have been more than offset through the fact that it raised its grade and tonnage milled slightly. Not yet explored are many sections of property where new ore is possible.

Dome's policy in recent years has been to acquire additional adjoining property which appears meritorious from work done on company's original holdings. In addition, Dome controls Sigma Mines, a subsidiary which has given a good account of itself since production started in March last. Sigma should be an important contributor to parent company's earnings.

Dome is conservatively managed and at the end of December, 1936, showed working capital of $6.9 millions. These facts appear to indicate that company has ahead of it many years of profitable existence.

Small Mill For Payore

100-ton Unit Feasible if Results at Depth Good

Payore Gold Mines has arranged for the immediate erection of a 25-35-ton mill and should complete shaft sinking and station cutting at the 375- and 500-foot levels within about five weeks, E. B. Henry, secretary, advises The Financial Post. Shaft sinking is continuing on a 24-hour basis and the company is preparing to break ore on the first and second levels to supply the mill. Drifting on the first and second levels has returned values from $6.80 to $25.

L. W. MacKenzie, mine manager, summarizing underground work so far done, says that four distinct vein systems have been exposed, and that ore available is sufficient to warrant installation of a small mill. If results on the 375 and 500-foot levels prove as good as those secured on the 125 and 250-foot horizons, there will be ore tonnage enough to allow erection of a mill of at least 100-ton capacity.

Bralorne Group Enter Oil Field

Austin Taylor and Associates in Deal With York Oils

The group, headed by Austin C. Taylor, who were associated with the Bralorne Gold Mines development, are to take a take in Turner Valley Development if plans already agreed upon by the principals are endorsed by shareholders.

Under these arrangements, Bralco Development and Investment Co., which is headed by Mr. Taylor and Neil McQueen, director of Bralorne, undertake to drill on the Okalta acreage subleased by York Oils Limited. Shareholders of York Oils are meeting on December 28 to vote on this proposal. It is understood that York Oils will share substantially in any production after the drilling interests have been reimbursed from first production. York wil[illegible] have the right to [illegible] larger prop[illegible] wells [illegible]

To W[illegible]-E. Claims At MacDonald Mines

Most recent work on the northeast block of claims held by MacDonald Mines in Dufresnoy twp., northwestern Quebec, has indicated possibilities of uncovering gold-copper deposits of commercial grade, according to Stewart Troop, consultant. The company plans to resume work in this section when weather conditions permit.

Five zones have already been revealed in various other sections of the 1,000-acre MacDonald property and these are now ready for drilling, the report states.

Asnazu Gold Dredging Recovery Is $229,320

From Our Own Correspondent

MONTREAL. — Asnazu Gold Dredging, in which Placer Developments Ltd. holds a substantial interest, reports for the three months ending Nov. 30 that the company handled 369,000 cubic yards, recovering 6,552 ounces of fine gold, equivalent to $229,320.

C.P. Lines in U.S. Report Declines

Maine and Vermont Units Off in October — Still Ahead of 1936

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway's operations in Maine and Vermont during October last were not quite as favorable as for the same month a year ago.

While there was an increase in gross revenue in Maine, the advance in expenses more than wiped out the gain, with the result that for October there was a deficit on railway operations of $4,234, against a profit of $2,005 in October, 1936. After rentals there was a deficit of $22,472, an increase of over $2,000 over the same month last year.

Gross revenues reported for the Canadian Pacific Lines in Maine for the first 10 months of 1937 on the other hand, were the largest for any like period in several years. The same applies to the net operating profit, which amounted to $325,680. After paying rentals there was a profit of $48,674, the first to be reported in several years. Particulars of the operating returns follow:

Maine Lines
October

	1937 $	1936 $
Gross from railway ..	143,995	143,440
Net from railway	*4,234	2,005
Net after rents	*22,472	*20,145
From Jan. 1—		
Gross from railway ..	1,982,298	1,777,706
Net from railway	325,680	108,469
Net after rents	48,674	*169,492

*Deficit.

The company's lines in Vermont recorded little improvement in October, both gross income and deficit after rentals being practically the same as in October, 1936.

Cumulative returns for the first ten months of 1937 show a marked improvement in gross revenues, which amount to $971,160, compared with $847,957 for the same period in 1936. The operating deficit was reduced from $263,856 in 1936 to $109,315 this year. The deficit, after rentals, totalled $364,350, an improvement of about $150,000.

Particulars of the returns for Canadian Pacific Lines in Vermont follow:

Vermont Lines
October

	1937 $	1936 $
Gross from railway ..	95,310	95,537
Net from railway	*8,029	*7,145
Net after rents	*26,977	*26,341
From Jan. 1—		
Gross from railway ..	971,169	847,957
Net from railway	*109,315	*263,856
Net after rents	*364,350	*513,757

*Deficit.

Anglo-Canadian Holding Extends Rights on Stock

MONTREAL. — Anglo-Canadian Development and Holding Co., has advised the Montreal Curb Market that, with reference to the option on 262,273 shares of the company's capital stock recently granted at $2.25 a share, the optionees have offered to grant shareholders the right to purchase stock at the same price.

According to the offer, shareholders of record Feb. 15, 1938, will be granted, for a period of one month after the record date, the right to purchase one share of Anglo-Canadian at $2.25 a share for each three shares held.

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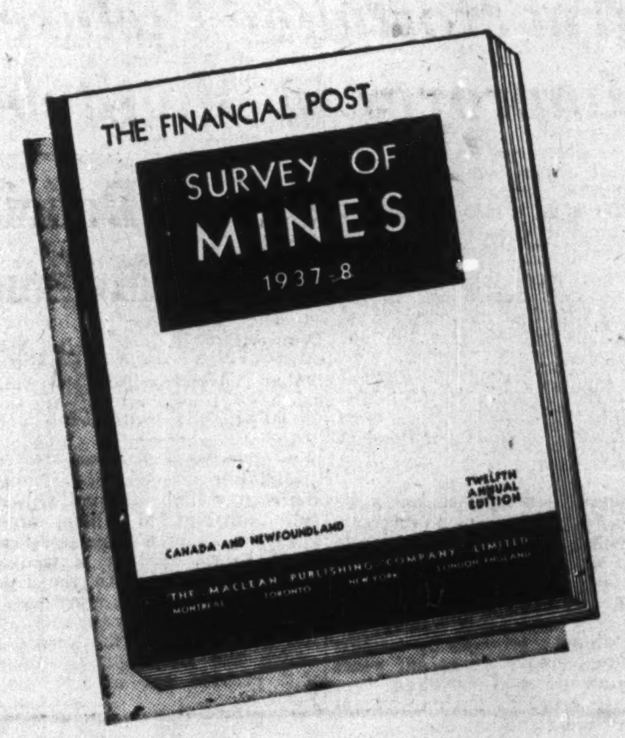
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp



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Settling Dividend Arrears

Only a small part of the $128 millions of Canadian preferred dividend arrears still outstanding will be paid in cash. Some will be settled by the issue of new stock or the distribution of rights. Most of them will be cancelled in the course of reorganizations.

These conclusions are reached from a survey of the methods of settlement followed by the 50 companies which have completely eliminated arrears totalling $71.8 millions during the past three years.

Twelve companies paid in full by cash, seven of them in 1937. Their payments totalled $6.3 millions, the largest being that of Aluminium Ltd., with $3.5 millions.

Dividend Arrears Paid in Full
During 1935, 1936, 1937

	Per Share $	Amount $
Acadia Sugar	.45	135,000
Aluminum Ltd.	27.75	3,470,026
Frost Steel & Wire	21.00	176,609
Gordon & Belyea	.75	1,053
Great Lakes Power	5.83	43,725
Greening Wire	12.25	79,625
Hudson's Bay Co.	5.25	2,100,000
Ont. Steel Products	23.25	83,679
Riverside Silk	1.75	60,550
Russell Motors	6.00	72,000
Tip Top Tailors	1.75	20,918
Zimmerknit	7.00	17,500
Total		6,260,685

Reorganization of 21 companies accounted for 73% of all settlements. Arrears were usually cancelled, disappearing in the shuffle from which new securities of junior calibre emerged in exchange for stock previously held. In only three cases of reorganization was any cash paid.

Seven companies issued funding or stock purchase rights in payment of arrears totalling $5.3 millions, while three paid partly in cash, and partly in stock or rights. Five companies distributed additional preferred or common shares.

Of the $65.5 millions settled by other than whole cash payments, only $448,000, or less than 1%, was paid in cash.

Arrears Settlements
1935, 1936, 1937

By distribution of:	No. of Cos.	No. of Issues	Amount of Arrears
Cash in full	12	12	$6,260,685
Cash & stk. or rts.	3	3	1,406,895
Common stock ..	2	2	3,835,237
[illegible]ferred stock ..	2	3	770,316
Pfd. & common .	1	1	378,000
Rights	7	[illegible]	5,339,284
Spec'l concessions	2	2	1,336,024
By reorganizations.	21	24	52,445,751
Total	50	54	$71,772,192

Only Small Part of Canadian Total Will Be Paid Out in Cash

A review follows, showing the plans effected by individual companies.

Payments Including Cash

Acme Glove Works Ltd.—Arrears $10.56¼ settled in March, 1936, by payment of cash 56¼ cents and 1/10 share of new 6½% preferred, par $100.

Howard Smith Paper Mills Ltd.—Arrears $30.50 settled in March, 1936, by payment $2 cash, ⅜ new share preferred stock, and one share common.

National Grocers Co.—Now proposed to settle $26.25 arrears by payment of $4 cash, right to buy three shares common at $1, and postponement of redemption clause until 1943. Meeting will be held Jan. 4, 1938.

Stock Payments Only

Dominion Tar & Chemical Co.—Arrears $29.25 settled in May, 1937, by issue of two shares common stock.

Evans, Coleman & Gilley Bros., Ltd.—In June, 1936, the entire issue of 5,000 second preferred shares, with arrears, was cancelled by the issue of 20 shares of common stock in exchange for each share.

Dominion Foundries & Steel.—Arrears of $84.50 settled in Feb., 1935, by distribution of two new callable 6% preferred shares for each three held.

Cooksville Co. Ltd.—Arrears $94.50 settled in May, 1937, by issue of one new 5% second preference share, and four common shares to the holder of each first preferred share.

Simpsons Ltd.—In April, 1937, shareholders agreed to accept ½ share class A and ½ share class B stock in settlement of $21.50 arrears. This plan has not yet been effected, having been postponed on account of later opposition.

Funding or Stock Rights

Commercial Alcohols Ltd. — Arrears $68 settled in March, 1937, by issue of rights to purchase 1½ shares common at 80 cents per share.

Corrugated Paper Box Co.—Arrears $33.25 settled in Jan., 1936, by issue of funding rights, par value $33.25, not bearing interest, but redeemable at par. No common dividends may be paid while any rights are outstanding, and they are protected by a sinking fund of 50% of net profits above $45,000, non-cumulative, with minimum yearly requirement of $10,000.

General Steel Wares Ltd.—Arrears $49 cancelled Nov., 1937, each share being given right to buy 2½ common shares at $1, and made participating to the extent of 10% of net profits available for distribution to common. No date set for distribution of participating fund.

Ontario Silknit Ltd.—Arrears $20 settled in Jan., 1936, by issue of funding right of $20 par Rights bear interest of not more than $1, payable out of earnings available after preferred dividends, but are non-cumulative.

Supersilk Hosiery Mills Ltd.—Arrears $17.50 funded in Dec., 1936, by issue of arrears certificates, par $17.50, non-interest bearing, and callable at par. No common dividends may be paid while any arrears certificates are outstanding, and provision is made for a sinking fund of 10% of net earnings after preferred dividends.

Traders Finance Corp.—Series A shares, in arrears $24.50, received that amount of A income rights, and series B shares, in arrears $28, received $28 worth of B income rights. Both classes carry a non-cumulative dividend of $1, ranking in each case ahead of preferred dividends.

Viceroy Manufacturing Co.—Arrears $7.50 settled in July, 1936, by issue of funding rights, callable at $8. Rights bear interest of 25 cents when earned, payable ahead of preferred dividends.

Special Concessions

Canadian Breweries Ltd.—In February, 1934, arrears of $7.50 on the first preferred were wiped out by increase in annual rate from $2.50 to $3, an increase from 2 to 2½ in number of common shares into which the preferred is convertible.

International Paints (Canada) Ltd.—In March, 1936, the 7½% preference shares, par $30 were in arrears $6 per share. Each share was exchanged for 1½ new 5% cumulative participating shares, par $20. Each share is participating to a total amount of $6, after payment of which the dividend rate increases to 6%, the stock to participate equally with the common in any further dividends paid.

Reorganizations

T. E. Bissell Co.—New company, Fleury-Bissell Ltd., formed in 1937. The 7% preferred shares of Bissell Co., were $47.25 in arrears. Each old share was exchanged for 1¼ new 5% cumulative preferred plus one share of common. Arrears were cancelled.

Brandram-Henderson Ltd. — Each old 7% preferred share in arrears $28.75, was exchanged for five new common shares, Nov., 1937.

B. C. Packers Ltd.—In Oct., 1935, each old 7% preferred share was exchanged for 2½ shares common. Arrears of $29.75 were cancelled.

Canada Steamship Lines Ltd.—In Jan., 1937, each old 6% preferred share was exchanged for 1¼ new common shares. Arrears of $39 were cancelled.

Catelli-Macaroni Products Corp.—Reorganized in April, 1936, new company being called Catelli Food Products Ltd. Each 5% class A share, par $30, in arrears $11, was exchanged for one new 5% preferred share, par $15; one new common share; and $2.50 cash.

Conduits Co.—In 1935 merged with National Conduits Ltd, to form Conduits National Co., the old 7% preferred, $100 par being in arrears $22.75. Each share, with arrears, was exchanged for one new 6% noncumulative preferred share, par $10; 32 new common shares; and $34.64 in cash.

Dufferin Paving and Crushed Stone Ltd.—In May, 1935, each old $100 par, 7% preferred share, in arrears $21, was exchanged for $110 of new 5% series A debentures, redeemable at 105. No common dividends may be paid while any debentures are outstanding.

Great West Saddlery Co.—In May, 1937, each old 6½% preferred share, par $100, was exchanged for one new 6% preferred share, par $50, and three common shares. All arrears were cancelled.

Hayes Wheel & Forgings Ltd.—In May, 1936, reorganized into Hayes Steel Products Ltd. Each old 6½% preferred share was exchanged for three new common shares, arrears $38.50 being cancelled.

International Paper & Power Co.—Reorganized in Sept., 1937, with the 7% first preferred shares in arrears $42, and the 6% second preferred in arrears $36. Each old first preferred was exchanged for one new 5% preferred share, and one common. Each old second preferred share was exchanged for one new 5% preferred share, and 1/3 share common. All arrears were cancelled.

Jones Bros. of Canada Ltd.—In April, 1937, each old 6½% preferred share was exchanged for five new common shares, arrears of $35.75 being cancelled.

Medicine Hat Greenhouses Ltd.—In 1935 a new company of the same name was formed in which each old preferred share, in arrears since 1932, received $1 in cash, $100 in 3% first mortgage bonds due 1960, and 20 shares of common stock.

Northwestern Utilities Ltd. — In May, 1936, each 8% second preferred share, in arrears $24, was exchanged for 3.6 common shares, arrears being cancelled.

Pacific (Coyle) Navigation Co.—New company, Pacific Coyle Navigation Co. formed in 1937. Each 7% first preferred share, in arrears $49, was exchanged for 50 new common shares. Each old 7% second preferred share, in arrears $50.75, was exchanged for 17.85 common shares.

Price Bros & Co. — Reorganized March, 1937. Each old 6½% preferred share, in arrears $32.50, was exchanged for one new 5½% preferred share, and 1¾ shares common.

Quinte Milk Products Ltd. — In March, 1937, each old 7% share, in arrears $45.50, was exchanged for 20 new common shares.

Silverwood Dairies Ltd.—In Feb., 1936, each old preferred share, with arrears of $15, was exchanged for $50 in 6% debentures, due 1966, and five new preferred shares of no par value, carrying cumulative dividend of 40 cents.

Viau Biscuit Corp.—In Aug., 1936, name changed to Viau Ltd. Each old 7% first preferred share, in arrears $26.25, was exchanged for one share new 5% preferred, and two shares of new common. Each share of 6% second preferred, in arrears $31.50, was exchanged for five new common. All arrears were cancelled.

Western Steel Products Ltd.—New company, Western Steel Products Corp., formed Nov., 1937. Each old 6½% preferred share, in arrears $32.50, was exchanged for one new common share. Arrears were cancelled.

Willson Stationers & Envelopes Ltd.—Arrears of $26.25 on each first preferred were settled by the issue of two common shares, while the dividend rate was reduced from 7% to 5%. The second preferred shares were wiped out, holders receiving five common for each share and arrears of $28 being cancelled.

Winnipeg Electric Co.—In Dec., 1935, each old 7% preferred share was exchanged for one new noncumulative 4-5% preferred share, and ½ share new common. Arrears of $28 were cancelled.

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Farm Mortgage Picture Improves in Manitoba

Interest, Tax Collections Increase With Better Crop

By STAFF WRITER

WINNIPEG. — Reflecting higher income arising out of better crops and higher prices, tax and mortgage collections in rural municipalities in Manitoba have shown substantial improvement.

Rural municipalities report that not only have collections of current taxes increased, but that payments on arrears have been higher.

Mortgage and insurance companies with headquarters in Winnipeg, which hold a substantial amount of mortgages on Manitoba farms, report that collections in the current year have shown a marked increase. In some cases, interest has been paid on mortgages by farmers whose taxes have in recent years been paid by the mortgage companies in order to keep the property in good standing.

One company which holds a substantial amount of farm mortgages reports that the average rate of interest received by it this year on principal amount of its farm mortgages in Manitoba is 10½%. Since the average rate of interest is 6% and many mortgages were not in arrears, this represents a very substantial collection of arrears. Another company reports that its average collections total 15%. These figures do not include repayment of principal.

Furthermore, there have been some instances where the entire amount of the mortgage has been paid off on farms bought only a few years ago under crop share agreements.

Hudson's Bay Dividend

The regular half-yearly dividend of 2½% has been declared on the preferred shares of Hudson's Bay Co., payable Jan. 1, 1938. A similar amount was paid on July 1, 1937, dividend arrears having previously been wiped out with a payment of 30% in May.

J. M. Dunwoody, C.A.
C. W. Nicholl, C.A. Thos. E. Saul, C.A.
DUNWOODY, NICHOLL, SAUL & CO.
CHARTERED ACCOUNTANTS
Winnipeg, Man., and Fort Frances, Ont.

C.N.R. Deficit Off $3 Millions

Minister of Transport Sees Moderate Gain — Freight Rates Remain

From Our Own Correspondent

MONTREAL.—Canadian National Railways' deficit this year will be a little less than $40 millions, according to a statement made by Hon. C. D. Howe, minister of transport, in an address before the Boston Canadian Club. This represents the cash deficit owing by the railway on the debt held by the public and which the Dominion Government will provide out of Consolidated Fund.

Last year the Canadian National had a cash deficit of $43 millions on debt held by the public. In the estimates for 1937-38, the current fiscal year, $35 millions was appropriated for the railway deficit which, apparently, will be somewhat short of meeting it.

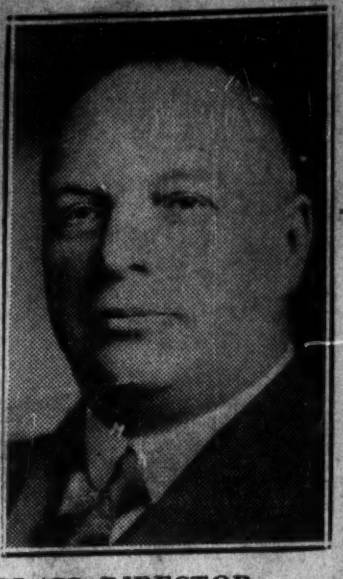
"Hope for the future lies in return of the Prairie Provinces to productivity," the minister said, "and in the continued development of our mining, lumbering and manufacturing.

"Through the depression years it has been necessary to suspend immigration, but it is hoped that return to more normal times will permit resumption of selective immigration."

Frost Steel Preferred Redeemed on Dec. 30

Outstanding 7% preferred shares of Frost Steel and Wire Co. have been called for redemption on Dec. 30, 1937, at 107½ plus accrued dividends of $1.17 a share. This action was forecast when the offer to holders of class A and common stocks was made last October.

At the company's request the class A preferred shares have been removed from trading on the Toronto Stock Exchange and after Dec. 31, 1937, the other two classes of stock will be removed from the list. All of the class A preferred shares have been surrendered under the purchase offer.



GLASS DIRECTOR

T. B. Dundas, sales manager of Dominion Glass Co., who has been elected a director, succeeding the late J. W. King.

C.P.R. Publishes Special Library

Volumes Assembled to Aid Employees of Company

Publication is announced of 10 specially selected and edited books constituting the Staff Foundation Library of the Canadian Pacific Railway, covering all phases of the company's development and operations as well as providing comprehensive facilities for self-education.

Arranged and edited by John Murray Gibbon, general publicity director of the company, the volumes are designed primarily to encourage good citizenship among employees as well as to inform them on the history and wide ramifications of company activities. The volumes are designated as a "foundation" library in the hope that they will encourage further study and wider interests, a list of suggested supplementary books being printed at the end of each volume.

In order to keep cost of the library at an appealingly low level, half of it has been absorbed by the company. Only two of the 10 books deal with C. P. R. history and operations.

Canada Bread Whittles Arrears Down Again

Canada Bread Co. has declared another extra dividend of 12½ cents a share to apply toward arrears of dividends on its class B preferred stock. This payment will be made, along with the regular quarterly dividend of 62½ cents a share, on Jan. 3, 1938, to shareholders of record Dec. 22. After this payment arrears on the class B preferred will remain at $2.25 a share.

The latest declaration will be the third consecutive payment of a similar amount since the first extra was paid on July 2. Regular payments of $12.25 a share are made quarterly on the first preferred.

B. C. May Seek Market in U. S.

Lumber Tariff Cut Suggested in Return for Loss of British Trade

From Our Own Correspondent

VANCOUVER. — Although they can see no result from revision of Empire preferences other than unfavorable, British Columbia lumbermen are accepting with resignation the pending tariff setup between Great Britain and the United States. They have filed their protest and are prepared to face the consequences.

There are some consoling aspects even if Britain does make a deal with the United States to permit a freer flow of American lumber to the United Kingdom. For one thing, building activity has passed its peak in Britain. If, in return for the loss of some of the British market, the United States modifies the tariff on Canadian lumber, B. C. lumbermen may be able to share in the long delayed expansion of building industries in the republic. Obviously, there will have to be a pickup there, however, before B. C. can expect much improvement.

The present quota of Canadian lumber permitted entry into the United States is 250,000,000 feet annually. Only about half the quota has been filled, partly because of the duty that must be paid, but to a greater extent due to the sluggish American market.

What's What In Advertising

By JEAN R. GEMMELL

Consolidated Advertising Service Ltd., Toronto, has been appointed to handle the United Steel Corporation account for 1938. Technical and trade papers will carry the greater part of the campaign.

* * *

Laura Secord Candy Shops Ltd., are running a special Christmas campaign in daily newspapers throughout Ontario and Quebec. Cockfield, Brown & Co., Toronto office, are in charge of the advertising.

* * *

Purchase of the assets of the Moore Publishing Co., trade paper publishers, Toronto, by Jardine & Young Ltd., publishers of Canadian Underwriter, has been announced. Two monthly papers are involved in the transaction: Office Management, published for business executives, and Canadian Hotel and Restaurant Management, a paper for the hotel and restaurant trade. General manager for the group will be Norman F. Jardine, with Rupert R. Young as secretary-treasurer, William Sclater, business manager and E. D. Haight, advertising manager. Offices will be maintained in Toronto and Montreal.

* * *

The Canadian Association of Tourist and Publicity Bureaus has completed a two-day session of round table conferences in the discussion of mutual advertising problems. These directors spend approximately $2 millions annually in advertising and for 1937 their return will approximate nearly $300 millions ing Canada as a mecca for tourists, in money and more than 15,000,000 tourists to the Dominion. There will be a slight increase in the amount to be spent during 1938 and newspapers, magazines and class papers will continue to be the major media.

* * *

Baume Ben-gay will commence the use of magazines as an advertising medium for the first time in 1938. A. McKim Ltd., Montreal, are in charge of this account.

* * *

The Department of Agriculture, Ottawa, will use quarter-page space in magazines in the new year. Cockfield, Brown & Co., Montreal, handle the account.

* * *

Schnefel Bros., New York, are advertising La Cross nail polish in Canadian magazines, class papers, as well as business papers during 1938. N. W. Ayer & Son of Canada Ltd., are the advertising agents for this account in Canada.

* * *

National advertisers in Canada who will use color during the coming year will include Ford Motor Co. and Canada Dry Ginger Ale.

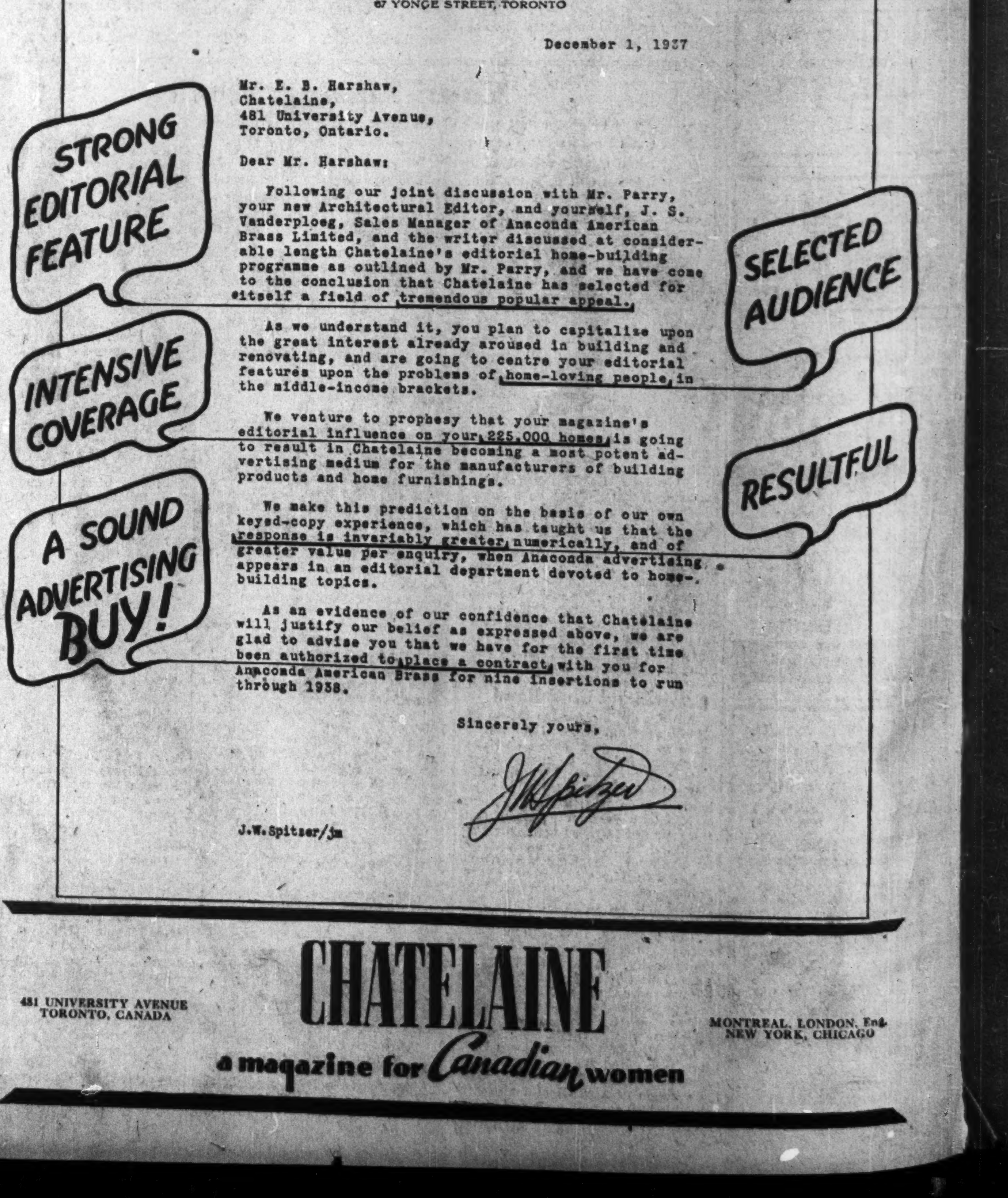
Vacation in
SUNNY SOUTH AFRICA
Thatching Native Hut
Left, above: City Hall, Pietermaritzburg
Cango Caves, near Oudtshoorn
Native Chief

THE turning season sounds an urgent call—an invitation to a sunny clime beyond the north wind's reach. South Africa, a land where mystic past and prosperous present enchant the northern guest with sights of ancient yesterday and comforts of today. Here the Riviera-like climate tempts the traveller into paths where nature's lavish beauties charm the eye, where modern industry erects a peak of gracious living.

South Africa displays her wares, and in the catalogue one reads the magic names: Victoria Falls, Zimbabwe Ruins, the Cango Limestone Caves, the Drakensberg whose fortress peaks stand guard above the hidden drawings of the vanished bushman; native kraals, the Kruger National Park, historic Cape Town and the rolling surf upon the alban sands of bright Durban. Within this glamorous setting dwell your hosts—a people famous for their hospitality.

You will be surprised when you learn how easily your South African holiday may be planned and enjoyed. Leading travel agencies everywhere will gladly supply you with complete information. An interview today may be the first step toward a happy holiday and an unforgettable experience.

THRILLS OF THE PRIMITIVE IN CIVILIZED COMFORT



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ADVERTISING
67 YONGE STREET, TORONTO

December 1, 1937

Mr. E. B. Harshaw,
Chatelaine,
481 University Avenue,
Toronto, Ontario.

Dear Mr. Harshaw:

Following our joint discussion with Mr. Parry, your new Architectural Editor, and yourself, J. S. Vanderploeg, Sales Manager of Anaconda American Brass Limited, and the writer discussed at considerable length Chatelaine's editorial home-building programme as outlined by Mr. Parry, and we have come to the conclusion that Chatelaine has selected for itself a field of tremendous popular appeal.

As we understand it, you plan to capitalize upon the great interest already aroused in building and renovating, and are going to centre your editorial features upon the problems of home-loving people in the middle-income brackets.

We venture to prophesy that your magazine's editorial influence on your 225,000 homes is going to result in Chatelaine becoming a most potent advertising medium for the manufacturers of building products and home furnishings.

We make this prediction on the basis of our own keyed-copy experience, which has taught us that the response is invariably greater, numerically, and of greater value per enquiry, when Anaconda advertising appears in an editorial department devoted to home-building topics.

As an evidence of our confidence that Chatelaine will justify our belief as expressed above, we are glad to advise you that we have for the first time been authorized to place a contract with you for Anaconda American Brass for nine insertions to run through 1938.

Sincerely yours,

J W Spitzer

J.W.Spitzer/jm

481 UNIVERSITY AVENUE
TORONTO, CANADA

CHATELAINE
a magazine for Canadian women

MONTREAL, LONDON, Eng.
NEW YORK, CHICAGO